

# Enterprise Zone Grant Instruction Manual

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Department of Housing and  
Community Development

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## NEW ENTERPRISE ZONE STATUTE

On July 1, 2005, the Enterprise Zone Grant Act replaced the Enterprise Zone Act of 1995. This new statute authorized two new grant based state incentives that promote job creation and property investment in enterprise zones designated in the Commonwealth: wage-based Job Creation Grants and Real Property Investment Grants. The information in the manual that follows provides step-by-step instructions on how to apply for each of these grants. The first year a business firm or qualified zone investor may qualify for these grants is for calendar year 2005.

Businesses that have already started qualifying for the residency-based Job Grants and General Income Tax Credits can finish out their incentive period provided they continue to meet the qualification requirements. Such businesses should refer to the Residency-based Job Grant Manual and the General Income Tax Credit Instruction Manual, both of which are dated December 2005 and are available at [www.dhcd.virginia.gov](http://www.dhcd.virginia.gov).

## ABOUT THIS MANUAL

This manual provides instructions for qualifying for the Enterprise Zone wage-based Job Creation Grants and Real Property Investment Grants. In addition to this manual, specific qualification forms are required for each incentive: Wage-based Job Creation Grants (Form EZ-JCG) and Real Property Investment Grants (Form-EZ-RPIG).

The first half of this manual outlines the application process for the wage-based Job Creation Grants and the second half outlines the process for completing the Real Property Investment Grant application. Each respective section is organized by the type of user, the applicant (business firm or qualified zone investor) or the CPA and each section addresses the respective user's responsibilities in completing the application.

This manual provides information about the process to qualify for and claim wage-based job creation grants and real property investment grants, as well as any limitations that might apply to their usage. Key definitions are provided at the end of each section pertaining to the specific grant and should be referred to when completing the respective qualification forms.

In addition to reading this manual, business firms, qualified zone investors and CPAs are strongly encouraged to review the Emergency Program Regulations before completing the qualification forms. A copy of the Emergency Program Regulations may be downloaded from the DHCD web site ([www.dhcd.virginia.gov](http://www.dhcd.virginia.gov)). **The Emergency Regulations are used while the permanent Program Regulations are developed. The Emergency Regulations will guide the 2005 calendar year application process. Permanent Program Regulations, which will be referred to as Program Regulations, will replace the Emergency Regulations and will be in effect for the 2006 calendar year application process.**

If you have any questions about qualifying for these state incentive grants or other aspects of the program, please contact:

Virginia Department of Housing and Community Development  
Community Revitalization and Development Office  
501 North Second Street  
Richmond, Virginia 23219-1321  
(804) 371-7030  
[EZONE@dhcd.virginia.gov](mailto:EZONE@dhcd.virginia.gov)  
[www.dhcd.virginia.gov](http://www.dhcd.virginia.gov)

## ENTERPRISE ZONE GRANT QUALIFICATION PROCESS

### State Fiscal Limitations on Enterprise Zone Grants

The wage-based job creation grants and real property investment grants are subject to an annual appropriation by the General Assembly. However, in the event that these grant requests exceed the Commonwealth's total annual grant allocation, qualified applicants are granted a *pro rata* amount by DHCD. Each qualified applicant will receive an equitable share of the grants.

### Submittal Requirements

In order to qualify for an enterprise zone grant, the applicant must first verify with the Local Zone Administrator that the physical address of the real property or business for which grants are being sought is located within the boundaries of a Virginia Enterprise Zone. Applicants must complete applicable portions of a supplemental address verification form (Form EZ-Address) supplied by DHCD and send it to their local zone administrator by April 1<sup>st</sup>. The supplemental address verification form (EZ- Address) created by DHCD will be the only acceptable form. Refer to Appendix A for instructions on completing this form.

Applicants must submit Form EZ-Address to the appropriate Local Zone Administration office (see Appendix A) in the locality where the business or real property is located no later than the close of business on April 1<sup>st</sup> of the calendar year following the year for which the enterprise zone grants are being requested. Forms delivered via the US Postal Service must be postmarked by April 1<sup>st</sup>. UPS and FedEx type delivery are considered hand delivery and must reach the local zone administration office by the close of business on April 1<sup>st</sup>. If the due date falls on a weekend, hand delivered forms (including FedEx and UPS) must arrive by close of business on the weekday preceding the due date. Applicants should refer to the Local Zone Administrator contact list in Appendix A to determine which local contact the supplemental address form must be submitted to. **It is highly recommended that applicants send all grant application materials certified mail, return receipt requested as soon as possible to DHCD or in the case of the Form EZ-Address, to the Local Zone Administrator.**

The local zone administrator will verify that the physical address of the business firm or real property is located within the enterprise zone and the local zone administrator will complete the appropriate portion of Form EZ-Address and submit it to DHCD by no later than close of business on April 30<sup>th</sup>. Forms delivered via the US Postal Service must be delivered by April 30<sup>th</sup>. UPS and FedEx type delivery are considered hand delivery and must reach DHCD by the close of business on April 30<sup>th</sup>. If the due date falls on a weekend, hand delivered forms (including FedEx and UPS) must arrive by close of business on the weekday preceding the due date. **It is highly recommended that zone administrator sends all completed EZ-Address forms certified mail, return receipt requested as soon as possible to DHCD.**

Applicants must submit the appropriate grant application form (EZ-JCG or EZ-RPIG) and all required attachments to DHCD by no later than close of business on April 1<sup>st</sup> of the subsequent calendar year for which enterprise zone grants are being requested. Applications delivered via the US Postal Service must be postmarked by April 1<sup>st</sup>. UPS and FedEx type delivery are considered hand delivery and must reach DHCD by the close of business on April 1<sup>st</sup>. If the due date falls on a weekend, hand delivered forms (including FedEx and UPS) must arrive by close of business on the weekday preceding the due date.

Firms and zone investors are encouraged to submit electronic applications. **The electronic application (if used) must be submitted to DHCD by no later than April 1, 2006 Eastern Standard Time. If applications are submitted electronically, the electronic submission and the required signed hard copy must be submitted by the due date as discussed above.**

DHCD reviews all applications for completeness and notifies applicants of any errors by May 15<sup>th</sup>. Applicants must respond to any unresolved issues by June 1<sup>st</sup> or ten days after notification, whichever is earlier.

DHCD notifies applicants of their qualification for enterprise zone grants with a Certificate of Qualification by June 30<sup>th</sup>. A check for the grant amount will be sent from the Virginia Treasury Department within three to six weeks. The qualified applicant should keep a copy of the Certificate of Qualification for its records. Applicants that do not meet the qualification criteria will also receive written notification.

#### **Late Submittals Not Accepted**

Applicants cannot request enterprise zone grants for previous grant years. For example, applications for 2005 wage-based job creation grants cannot be accepted after April 1, 2006. DHCD cannot accept applications postmarked or hand delivered after 5 pm on April 1<sup>st</sup> or applications submitted electronically after April 1st Eastern Standard Time. Applications that are submitted late will be returned and the applicant will forfeit any and all enterprise zone grants for that year.

## WAGE-BASED JOB CREATION GRANTS

Wage-based job creation grants are offered for net new permanent full-time positions created by business start-ups and expansions by existing firms. Wage-based job grants are available for all qualified business firms that are not local service, food/beverage or retail establishments. Wage-based job creation grants are available in amounts up to \$500 per grant eligible position filled by an employee earning 175 percent of the federal minimum wage and up to \$800 per grant eligible position filled by an employee earning 200 percent of the federal minimum wage. The federal minimum wage is currently \$5.15 per hour. These positions must also be offered health benefits. Business firms are eligible to receive job grants for five consecutive calendar years from the first year of grant eligibility. Firms can receive wage-based job creation grants for up to 350 grant eligible positions per year. Positions that pay less than 175 percent of the federal minimum wage or that do not offer health benefits are not eligible for grants.

### Qualification Requirements

In order to qualify for wage-based job creation grants, the business firm must be located in a Virginia enterprise zone. Units of local, state, or federal government are prohibited from applying for enterprise zone grants. Local service, food/beverage, and retail establishment businesses are prohibited from applying for the wage-based job creation grants. Refer to Appendix B. Business activities highlighted in this appendix may be classified as local service, food/beverage or retail establishments. Also, refer to page 15 for more information regarding local service determination.

To qualify for wage-based job creation grants, business firms must increase their enterprise zone permanent full-time positions by four permanent full-time threshold jobs over a base calendar year. Wage-based job creation grants are only available for the new permanent full-time position(s) created above this four-job threshold. This threshold number must be met each year of the five year grant qualification period. In the case of employees who are employed for less than twelve full months during the grant year, the grant amount will be pro-rated based on the portion of the year the employees have worked. In the case of employees whose wage rates fluctuated above or below 175 percent or 200 percent of the federal minimum wage during the grant year, the grant amount will be pro-rated based on the portion of the year the employee earned 175 percent or 200 percent of the federal minimum wage.

To be eligible for job creation grants in years two through five of the grant cycle, a business firm must maintain or increase its eligible permanent full-time positions above the four-job threshold established during the first grant year. Firms receive grants for any net new permanent full time positions (meeting wage and health benefits requirements) created over the base year and four threshold permanent full time positions.



### Determination of a Base Year

The firm may use either of the two calendar years immediately preceding its first year of grant eligibility as its base year. This allows a business the discretion to select a base year with lower employment to maximize its grant benefits.

## General Limitations

The maximum grant that may be earned by a business firm in one grant year is limited to a maximum of 350 grant eligible positions per grant year. Firms with multiple zone locations can only receive wage-based job creation grants for a maximum of 350 positions.

### Prohibition of Duplication of Government Assistance

A business firm may not receive both wage-based job creation grants and a Major Business Facility tax credit.

Businesses that are finishing their three-year residency-based job grant qualification period cannot receive wage-based job creation grants and residency-based job grants for the same jobs. Such businesses may choose to complete the remainder of their residency-based job grant qualification period or initiate qualification for the new wage-based job creation grants simultaneously. The firm can apply for the wage-based job creation grants for any net new wage-based job creation grant eligible positions created above the four-job threshold at this time.

Businesses that have started qualification for the general income tax credit may initiate qualification for the wage-based job creation grants. However, the business firm cannot receive the tax credits and job creation grants for the same positions. Contact DHCD at 804-371-7030 regarding this.

## Wage-based Job Creation Grant Amounts

The dollar amount of job creation grants is determined by the wages of the employees filling the grant eligible permanent full-time positions. Wage-based job creation grants are available in amounts up to \$500 per grant eligible position filled by an employee earning 175 percent of the federal minimum wage and up to \$800 per grant eligible position filled by an employee earning 200 percent of the federal minimum wage. All grant eligible employees must be offered health benefits.

In the case of employees filling net new permanent full time positions who are employed for less than 12 full months during the grant year, or meet the wage and/ or health benefits requirements for less than 12 full months, the grant amount will be pro-rated based on the portion of the grant year the employees have worked or met the wage and/ or health benefits requirements. In cases where a change in the grant eligible position's wage rate changes or the federal minimum wage rate changes during a qualification year, the grant amount shall be pro-rated based on the number of full months the position was paid a minimum of 200 percent of the federal minimum wage and the number of full months the

position was paid a minimum of 175 percent of the federal minimum wage but less than 200 percent. Permanent full time positions paying less than 175 percent of the federal minimum wage are not eligible to receive grants.

## Employment Restrictions

Wage-based job creation grants are given for the creation of net new permanent full-time positions. A permanent full-time position is defined as a job of indefinite duration at a business firm located in an enterprise zone, requiring the employee to report to work within the enterprise zone; and requiring (i) a minimum of 35 hours of an employee's time per week for the entire normal year of a business firm's operation, which a normal year must consist of 48 weeks, (ii) a minimum of 35 hours of an employee's time per week for the portion of the calendar year in which the employee was initially hired for or transferred to the business firm, or (iii) a minimum of 1,680 hours per year.

Given the normal turnover of employees, it is possible that several employees will fill one permanent full-time position in any one calendar year. This is acceptable so long as it is not "job sharing" where two employees, each working part-time, fill one position.

In addition, employees filling the following positions cannot be included in the calculation of wage-based job creation grants:

1. Those positions in retail, local service, or food and beverage services.
2. Those positions paying less than 175 percent of the federal minimum wage.
3. Those positions that are not offered health benefits in which the employee's health insurance premium is partially paid by the business firm.
4. A seasonal, temporary, leased or contract labor position.
5. A position that previously existed in the Commonwealth.
6. Positions created by a business that is simultaneously closing facilities in other areas of the Commonwealth.
7. A person that was previously employed in the same job function in Virginia by a related party, or a trade or business under common control. (A person's job function eliminated at a non-zone location and moved to an enterprise zone location).
8. An employee of a firm in Virginia who is transferred from outside a zone location to a zone location.
9. An employee whose previous job function previously qualified for a grant in connection with a different enterprise zone location on behalf of the taxpayer, a related party, or a trade or business under common control (cannot claim the same job twice).

10. An employee who was employed by an enterprise zone firm in Virginia and the trade or business was purchased by another taxpayer who continued its operation.
11. A person whose position previously qualified for Enterprise Zone Residency-based Job Grants, Enterprise Zone General Income Tax Credits or Enterprise Zone Investment Tax Credits.

#### 1,680 Hours-Per-Year Employees

Business firms may include employees that work a minimum of 1,680 hours during the calendar year in the calculation of permanent full-time positions. However, the employee must have been hired during the calendar year, worked a minimum of 1,680 hours during the calendar year and received the standard fringe benefits paid by the business firm.

- For 1,680-hour employees who worked the minimum of 1,680 hours and who were employed for the full twelve months of the calendar year, add the number of these employees to the equivalent number of other permanent full-time employees.
- For 1,680-hour employees who worked the minimum of 1,680 hours and who were employed for less than the full twelve months of the calendar year, the firm must determine the equivalent portion of the year worked.
- For 1,680-hour employees who do not work the minimum of 1680 hours during the calendar year, the firm must determine whether the employee worked a minimum of thirty-five hours a week for the portion of the calendar year in which the employee was employed in the permanent full-time position. If so, the employee may be included in the equivalent position calculation. If not, the employee will not be eligible to be included in the equivalent position calculation.

### General requirements

- ❑ **Businesses classified as local service, retail, food or beverage establishments are prohibited from applying for the job creation grants. To find out if your business is classified as such, refer to the Enterprise Zone Grant Instruction Manual.**
- ❑ The applicant is NOT a unit local, state, or federal government. Such entities are prohibited from applying for state enterprise zone incentives.
- ❑ Only businesses located within the boundaries of a Virginia Enterprise Zone are eligible to qualify for the incentives.
- ❑ The business firm is located in a Virginia Enterprise Zone. A supplemental address verification form, EZ-Address, must be completed, signed, and sent, certified mail, return-receipt to the respective local zone administrator by April 1st. Refer to Appendix A in the instruction manual for the listing of local zone administrators.

### JCG Worksheet (shows all PFTP employed by the firm in the base year and grant year)

- ❑ The JCG Worksheet **may not** be handwritten and must be printed in a landscape layout on 8½" x 14" paper, which is standard legal-sized paper. Arial font type must be used and the minimum font size is 11 point.
- ❑ You must use the formulas provided within the Enterprise Zone Grant Instruction Manual to determine the firm's grant award.
- ❑ The applicant's base year will remain the same for each five-year consecutive period.
- ❑ Employees should only be listed once on the JCG Worksheet **unless** their wage rate fluctuated in a single grant year (above or below 200% of the Federal minimum wage but not less than 175% of the Federal minimum wage). In order to get the full number of months worked by that employee at a given wage, you will need to include two rows as appropriate that show the two different start and end dates for that year before and after the wage change. For example, Jane Doe, a net new PFTP, starts out the 2005 calendar year earning a starting wage of \$10 per hour and works the entire year. On August 1, 2005, the company increases her wage for the same position to \$11 per hour. Jane Doe would be listed on two rows, the first showing her start and end dates as 1/1/2005 to 7/31/ 2005. The full months worked would be calculated under column N and copies under column P. She would also be listed on the next row with start and end dates of 8/1/2005 through 12/31/2005 with full months worked calculated under column N and copies under column Q.
- ❑ Each employee listed on the JCG Worksheet must be numbered. In cases where an employee starts and stops employment within the same year or whose wage

fluctuates above or below 200 percent (but is at least 175 percent) of the federal minimum wage during the grant year only, such employees are listed on two rows to reflect multiple start and end dates, but are still counted as one employee. Taking the example, Jane Doe above, she would be listed on multiple rows, but if she is employee number 30, she would still be listed as employee number 30 on any consecutive rows.

- ❑ All pages of the JCG Worksheet must be numbered as “X” number out of the total number of pages. For example: Page 20 out of 30 pages.
- ❑ All pages of the JCG Worksheet must have page totals for the columns I, N, O, P, and Q. The last page of the JCG worksheet must show your grand total (i.e. sum of page totals) for the base year and the grant year.
- ❑ All columns for the **base** and **current** qualification year must show on your JCG Worksheet. However, you may hide columns for previous grant years on your JCG Worksheet.
- ❑ The business firm representative who signs the Form EZ-JCG must **initial each page** of the JCG Worksheets and sign a statement on the last page of the worksheet as provided on the template.

### **Submitting the application**

- ❑ The application Form EZ-JCG can be submitted electronically at [www.dhcd.virginia.gov](http://www.dhcd.virginia.gov). For instructions, please visit our website. at [www.dhcd.virginia.gov](http://www.dhcd.virginia.gov). **If applications are submitted electronically, the electronic submission and signed hard copy must be submitted by the due date. The electronic application (if used) must be submitted to DHCD by no later than April 1, 2006 Eastern Standard Time. Late applications (hard copy and electronic application) will not be accepted.**
- ❑ A hard copy including the original signatures and attestation report must also be mailed to DHCD. The application Form EZ-JCG must be used and printed on 8½” x 14” paper, which is standard legal-sized paper. The minimum font size is 11 point. **The signed hard copy must be submitted to DHCD by no later than April 1, 2006.** If the due date falls on a weekend, hand delivered forms (including FedEx and UPS) must arrive by close of business on the weekday preceding the due date. **Late applications (hard copy and electronic application) will not be accepted.**
- ❑ Form EZ-JCG has been completed and signed by the applicant (business firm representative).
- ❑ **The attestation report prepared by the applicant’s independent CPA (licensed in VA) which reports on the agreed upon procedures established by DHCD must accompany the application. Applications without such reports or that have not been attested to by such a CPA will not be accepted.**

- ❑ We strongly recommend you mail your application to our office via certified mail with return receipt.
- ❑ A completed W-9 form must be included. The FEIN or SSN listed on the qualification application EZ-JCG must match the FEIN or SSN on the W-9. The address listed on the W-9 form must be the same mailing address as listed on the application. A blank W-9 is located on the DHCD web site at [www.dhcd.virginia.gov](http://www.dhcd.virginia.gov) or you may call program support staff Roxanne Campbell at (804) 371-7030 to request a copy.

Please do not hesitate to call us at (804) 371-7030 or e-mail us at [EZONE@dhcd.virginia.gov](mailto:EZONE@dhcd.virginia.gov) with any questions you might have about how to qualify or complete the applications. Incomplete or incorrect applications will be returned to the applicant (business firm representative). Please complete the form carefully and use this checklist to avoid common mistakes.

#### **Remember These Job Creation Grant Deadlines**

**April 1<sup>st</sup>** – Firm submits application to DHCD **and** sends address verification form to LZA

**April 30<sup>th</sup>** – Local Zone Office submits address verification form to DHCD.

**May 15<sup>th</sup>** – DHCD notifies firm of deficiencies.

**June 1<sup>st</sup>** – Firm resubmits, if necessary and deficiencies have been resolved.

**June 30<sup>th</sup>** – DHCD notifies firm of qualification.

**August** – Virginia Department of Treasury sends job grant check to firm.

## Determination of Grant Eligible Employees

Prior to completing the Form EZ-JCG and associated worksheets, the business firm must first determine that it is not prohibited from applying for the wage-based job creation grants. Units of local, state, or federal government may not apply for the wage-based job creation grants. Business firms engaged in food and beverage operations (NAICS code classification 722) or in retail operations (NAICS 441-451) are restricted from applying for wage-based job creation grants, as are local service businesses. Businesses are not eligible to receive grants for food/beverage, retail, or local service positions. For example, in the case of a manufacturing company that also has a retail (showroom) component, the firm cannot include retail positions for purposes of qualifying for this grant.

Local service businesses are those firms engaged in service-based activities in which the majority (51 percent) of their sales are generated within the Commonwealth. In the case of nonprofit headquarters, the majority of its members (51 percent) would come from within Virginia. Businesses with the following NAICS codes are NOT considered local service (NAICS – 111-422; 481-493) and are NOT restricted from applying for job creation grants. Businesses with any other NAICS classification and that are not food/beverage or retail establishments must determine if 51 percent of their sales activity comes from within the Commonwealth. **If the business does not track the source of its sales (i.e. physical address of clients is not on invoices or receipts) it will not be able to prove that it is not a local service, prohibiting the company from applying for the job creation grant.**

Secondly, the firm must determine if it has created at least four net new permanent full time positions after the established base year and then determine which positions above this threshold are potentially eligible to receive grants. This threshold number must be met each year of grant qualification. Using the definition of a permanent full time position as outlined on page 18 of this manual, the business firm should collect the following payroll record and health benefit documentation to determine all permanent full time positions (during the firm's base year and net new over the base year):

1. W-4 – Verifying the start date of permanent full time employment in addition to payroll record information for all permanent full time positions in the base year and/or grant year.
2. First and last payroll records for each employee for the base year and /or grant year– Verifying work dates in the base year and/or grant year and hourly wage rates of at least 175 percent of the federal minimum wage for those employees filling net new permanent full time positions in the grant year. For firms with high employee turnover, each permanent full time position may be filled by multiple employees during a given year.
3. Health benefits information – Verifying that the employee was offered health insurance coverage in which the firm pays at least a portion of the employee's health insurance premium based on information in the signed health insurance enrollment agreement. In cases where the business firm itself insures its employees (instead of using a third party health insurance provider), a copy of the firm's policy that has been signed by



the employee is acceptable documentation. Health insurance waivers must be collected from those employees filling grant eligible positions that decline the health insurance. Once this information is collected and the employees filling the net new permanent full time positions in the grant year are identified, the information in the above documentation will be used to complete the JCG worksheet and the corresponding sections of Form EZ-JCG. The grant amount will be based on the number of net new permanent full time positions created above the base year and four threshold permanent full time positions.

## Required Records

Business firms considering participation in wage-based job creation grants must keep careful records of their employment calculations, payroll record and health benefit information for employees listed on the JCG worksheet, and all other documentation associated with the preparation of this application EZ-JCG. Qualified business firms should maintain this documentation pertaining to the wage-based job creation grant qualification for at least one year after the final year of their five-year qualification period. Wage-based job creation grants that do not have adequate documentation regarding permanent full-time positions, wage rates, and provision of health benefits may be subject to repayment by the qualified zone business.

Print form EZ-JCG on 8½" x 14" paper.

## PART I: BACKGROUND INFORMATION

### 1. Zone Name

- Indicate the zone's name, number and designation date, as listed in Appendix A.
- Contact the local zone administrator (contact information in Appendix A) to verify in which zone the applicant is located.
- The applicant will also need to complete a supplemental form EZ-Address. For instructions, refer to Appendix A.

### Date Business Began Operation in the Zone

- Indicate the month, day, and year the applicant started operating its business at the zone establishment.

### 2. Business Firm Legal Name

- Indicate the applicant's legal business firm name.

### Trading Name

- Indicate the applicant's trading name, if different than its legal name.

### 3. Federal Employment ID# (FEIN)

- Indicate the applicant's nine digit Federal Employment Identification Number.

### Activity #

- Indicate the three-digit activity number that applies to the applicant's business type.
- Activity numbers are listed in Appendix B.



- If your firm's activity number is highlighted in red in Appendix B, your firm is engaged in retail or food/beverage services and cannot apply for this grant. If your firm's activity number is highlighted in yellow, it may be considered a local service business. Refer to Appendix B in this manual for more information about local service businesses.

#### **4. Principal Mailing Address**

- Indicate the applicant's mailing address.
- **The grant certificate of qualification, grant check, and any related correspondence will be mailed to this address.**

#### **5. Physical Address of zone establishment**

- If the physical location of the applicant's business operation in the zone is different than the applicant's mailing address, indicate the physical address here.
- Check with the local zone administrator (see Appendix A) to verify that the physical address of the business is located within the zone.
- In addition to filling out this portion of the application, the business will also need to complete an address verification form, EZ-Address. Refer to Appendix A in this manual for instructions on how to complete Form EZ-Address.

#### **6. Grant Applicant Representative**

- List the name, title, daytime phone number, and E-mail address of the person who can answer questions about this application. This individual reviewed the application materials and made the management decisions necessary to complete the application.
- **The grant check will be mailed to this person's attention. The mailing address for this contact person should be listed on Part I, line 4.**

#### **7. Parent Company of Business Firm**

- If the business firm is a subsidiary, list the FEIN and name of the Parent Company

#### **8. Check the type of job creation made by this firm**

- Check the same box for all five years of a firm's qualification requests

#### **9. Check the type of Business Organization**

- If "other" is checked, write a description.
- Units of local, state, or federal government are prohibited from applying for any enterprise zone incentive.

## **PART II: QUALIFICATION INFORMATION**

The qualification information is calculated on the JCG worksheet. You must first complete this worksheet before you can complete the qualification information on the Form EZ -JCG. The JCG worksheet is used to determine the number of equivalent job creation grant eligible positions and the amount of job creation grants based on the wages each of those positions earned during the full months they were filled during the grant year.

Before completing the worksheet, the business firm should make sure they have collected the information outlined in the first paragraph on page 15. The information on the worksheet will be used to determine if the applicant is eligible for wage-based job creation grants. It also provides the information to determine the dollar amount of the job creation grants. Below is an explanation of how to complete the worksheet.

You may download the JCG worksheet Excel template from the DHCD website at [www.dhcd.virginia.gov](http://www.dhcd.virginia.gov) that contains the formulas need to complete the worksheet. If you want to create your own template, the formulas are listed on page 20. Keep in mind that your template must meet our formatting requirements specified on the template and application EZ-JCG.

### How to complete the JCG Worksheet

**1. Determine the Grant Year.**

This is the calendar year for which the firm is requesting wage-based job creation grants. Wage-based Job Creation Grant applications are due on April 1<sup>st</sup> of the year immediately following the grant year. For example, job creation grant applications for the 2005 qualification year are due April 1, 2006. If the due date falls on a weekend, hand delivered forms (including FedEx and UPS) must arrive by close of business on the weekday preceding the due date.

**2. Determine the Base Year.**

The base year is either of the two calendar years immediately preceding a business firm's first year of grant eligibility, at the choice of the business firm. The base year stays the same for each year of the five-year qualification period.

**3. List all employees filling permanent full-time positions (hereafter referred to as EF-PFTP) and their work start and end dates in the base year and/or the grant year.**

### **What is considered a permanent full time position (PFTP) for Wage-based Job Creation Grants?**

According to the Virginia Enterprise Zone Program Emergency Regulations, a "permanent full-time position" is defined as a job of indefinite duration at a business firm located in an enterprise zone, requiring the employee to report to work within the enterprise zone; and requiring (i) a minimum of 35 hours of an employee's time per week for the entire normal year of a business firm's operation, which a normal year must consist of 48 weeks, (ii) a minimum of 35 hours of an employee's time per week for the portion of the calendar year in which the employee was initially hired for or transferred to the business firm, or (iii) a minimum of 1,680 hours per year.

Such PFTP shall not include: (i) seasonal, temporary, or contract positions, (ii) a position created when a job function is shifted from an existing location in the Commonwealth to a business firm located with an enterprise zone, (iii) any position that previously existed in the Commonwealth, or (iv) positions created by a business that is simultaneously closing facilities in other areas of the Commonwealth.

Employees filling these positions must:

1. Not be involved in local service, retail, food or beverage operations.
2. Must report for work at the firm's business within the enterprise zone on a regular basis (once a month).

List all EF-PFTP that worked for the firm including and since the base year through the grant year. Include every EF-PFTP that worked for the firm in a permanent full-time capacity to perform some type of job function regardless of how long he or she was employed. This could be one day, one week, one month, one year, one decade, etc. All EF-PFTP that worked during this time period must be included on the list. This base year employment information will be used as part of the application for each of the five grant years. Documentation used to determine base year employment should be kept for at least one year after the final qualification year.

Using the employee's payroll record documentation, enter each employee's first work date and last work date for the base year and/or the current grant year. Employees should only be listed once on the JCG worksheet unless they have worked two or more separate times in a single base or grant year or if that employee's wage fluctuated above 200 percent or below 200 percent (but at least 175 percent) of the federal minimum wage during the grant year. In order to get the full number of months that the employee worked at the position, you will need to include one row, showing the start date and end date, for each separate employment period (or wage fluctuation as explained above). In cases where an employee's wage increased to 175 percent of the federal minimum wage during the grant year, only the months worked where the employee earned at least 175 percent of the federal minimum wage would be listed on the worksheet. **Wage and health benefit information is required for all net new EF-PFTP created after the base year and that were filled during the grant year. The health benefits enrollment agreement or health benefits enrollment waiver are evidence that the grant year EF-PFTP were offered health benefits. For firms that self-insure their employees' medical claims, a statement signed by the employee acknowledging that he/she has read the policy and understands it is sufficient documentation.**

Include on the JCG worksheet EVERY EF-PFTP that has worked for the firm during the base year. Also include EVERY EF-PFTP that worked during the grant year.

If you are using the DHCD Excel template, the number of days worked, the number of days divided by 30.416666667, and the number of full months worked will automatically be calculated in columns G, H, I, L, M, and N.

#### **4. Calculate Column Totals on the JCG Worksheet.**

- Column I – Full months worked by EF-PFTP in Base Year. Total the number of months listed in column I and divide by 12. The number of full months worked by each employee must be rounded DOWN to the next lowest integer before this column is added. This is calculated in the template. Enter this number on Part II line 3A of Form EZ-JCG.
- Column N – Full months worked by EF-PFTP in Grant Year. Total the number of months listed in column N and divide by 12. The number of full months worked by each employee must be rounded DOWN to the next lowest integer before this column is added. This is calculated in the template. Enter this number on Part II line 3B of Form EZ-JCG.
- Column O – Copy the full months worked from Column N for all the EF net new PFTP in the grant year and earning less than 175% of the federal minimum wage and/or not offered health benefits into Column O.
- Column P - Copy the full months worked from Column N for all the EF net new PFTP in the grant year and earning 175% but less than 200% of the federal minimum wage and health benefits into Column P. Enter this number on Part II line 3.E. of Form EZ-JCG.
- Column Q – Copy the full months worked from Column N for all the EF net new PFTP in the grant year and earning at least 200% of the federal minimum wage and offered health benefits into Column Q. Enter this number on Part II line 3.F. of Form EZ-JCG.

**JCG Worksheet - List the following information for each EF-PFTP:**  
**Note: Include all EF-PFTP who have worked for the firm during the base year and/or the grant year even if they are no longer employed by the firm.**

Column A	Number all employees on worksheet from 1 to .....
Column B	Random number (CPA agreed upon procedures)
Column C	Name (list employees in alphabetic order by last name)
Column D	Last four digits of the social security number
Column E	First work date in base year
Column F	Last work date in base year
Column G	Enter the total number of days the EF-PFTP was employed by the firm during the BASE year. (This number will be "0" for any EF-PFTP that was not employed by the firm during the base year.) This is calculated in the template. The excel formula for this column is: If (F row number > E row number, sum (F row number, -E row number), sum (E row number, - F row number)) +1.

Column H	Divide the number of days in Column 6 by 30.416666667. This is calculated in the template. The excel formula for this column is: G row number/(365/12).
Column I	Round DOWN to the next lowest whole integer to get full months EF-PFTP in the base year This is calculated in the template. The excel formula for this column is: ROUNDDOWN (H row number, 0).
Column J	First work date in grant year 1
Column K	Last work date in grant year 1
Column L	Enter the total number of days the EF-PFTP was employed by the firm during the GRANT YEAR #1. (This number will be "0" for any EF-PFTP that was not employed by the firm during the grant year #1.) This is calculated in the template. The excel formula for this column is: If (K row number > J row number, sum(K row number, -J row number), sum (J row number, - K row number)) +1.
Column M	Divide the number of days in Column 8 by 30.416666667. This is calculated in the template. The excel formula for this column is: L row number/(365/12).
Column N	Round DOWN to the next lowest integer to get full months EF-PFTP worked in the grant year. This is calculated in the template. The excel formula for this column is: ROUNDDOWN (M row number, 0).

## PART II: QUALIFICATION INFORMATION

Once the calculations on JCG worksheet are complete return to Form EZ-JCG.

### 1. Grant year number

- Indicate the calendar year for which wage-based job creation grants are being requested. All firms applying for the 2005 calendar year should be in grant year one.

### 2. Base year

- Indicate the calendar year that the applicant selected for its base year.
- This base year remains the same for each of the five years of requests for job creation grants.
- The base calendar year is one of the two calendar years immediately preceding the first grant year, at the choice of the applicant.

### 3. Position Test

"PFTP" indicates "permanent full-time position," as defined by the Virginia Enterprise Zone Emergency Program Regulations related to qualifying for grants pursuant to 59.1-547 of the Code of Virginia (ie, for wage-based job creation grants).

Part II, line 3.A. BASE YEAR – PFTP

1. Total the number of days in column I of the JCG worksheet.

2. Divide this total by 12. Round to the nearest one-hundredth (0.00). The result is the number of equivalent PFTP filled by the firm during the base year. Enter this number on line 3.A. in Part II.

Part II, line 3.B. GRANT YEAR – PFTP

3. Total the number of days in column N of the JCG worksheet.
4. Divide this total by 12. Round to the nearest one-hundredth (0.00). The result is the number of equivalent PFTP filled by the firm during the grant year. Enter this number on line 3.B. in Part II.

Part II, line 3.C. Increase in the number of equivalent PFTP created over the base year

1. Subtract Part II line 3.A. from Part II line 3.B. Enter this number on line 3.C. in Part II.

Part II, line 3.D. Net new jobs in Grant Year created over the four job threshold

1. Subtract 4.00 from the number of Part II line 3.C. This is the number of PFTP created over the threshold positions. This four job threshold must be met each year of the five year qualification period. Enter this number on line 3.D. in Part II.

Part II, line 3.E. Net new PFTP earning 175%-199% of the federal minimum wage and health benefits

1. List the net new equivalent PFTP (Column P on the JCG worksheet) earning between 175% and 199% of the federal minimum wage and offered health benefits.
2. Enter this number on line 3.E. in Part II.

Part II, line 3.F. Net new PFTP earning 200% of the federal minimum wage and health benefits

1. List the net new equivalent PFTP (Column Q on the JCG worksheet) earning at least 200 percent of the federal minimum wage and offered health benefits.
2. Enter this number on line 3. F. in Part II.

Part II line 3.G. Total number of equivalent net new PFTP in grant year meeting wage and health benefits requirements.

1. Add lines 3.E. and 3.F. in Part II
2. This is the number of net new grant year PFTP meeting the wage and health benefits requirements.

Part II, line 4. – Job Creation Grant awards for PFTP earning between 175-199 percent of the Federal Minimum Wage

1. If the number on line D is greater than the number on line G, multiply the number on line 3. E. by 500. If line D is less than line G, the grant amount must be reduced to equal the number on line D in order to back out the four threshold jobs. This will be done by subtracting line F from line D and multiplying this number by \$500. If line F is greater than line D, the grant amount on this line will be \$0. This is the estimated grant award for those positions earning at least 175 percent of the federal minimum wage but less than 200 percent.

Part II, line 5 – Job Creation Grant awards for PFTP earning 200 percent of the Federal Minimum Wage

1. If the number on line D is greater than the number on line G, multiply the number on line 3. F. by 800. If line D is less than line G, the grant amount must be reduced to equal the number on line D in order to back out the four threshold jobs. If line F is greater than line D, the grant amount will be \$800 times the number on line D. This is the estimated grant award for those positions earning at least 200 percent of the federal minimum wage.

Part II, line 6 – Total Job Creation Grant awards

1. Add the numbers on lines 4 and 5. This is the estimated total grant award. Should the amount of grant requests exceed the funds allocated, this grant award amount will be subject to proration. In addition, should DHCD find errors in the worksheet calculations, the grant amounts may be adjusted to reflect the revised and correct calculations.

Part II, line 7 –Verification that DHCD JCG worksheet template was used.

Check this box if the firm used templates made available on DHCD's website.

### **PART III: DECLARATION**

The application must be signed and dated by a representative of the business firm that has made the management decisions necessary to complete the application and has reviewed the application and required attachments for accuracy and completion.

**Be certain to attach a completed W-9 form, the completed JCG worksheet, and attestation report to the completed form EZ-JCG. Also, be sure to complete the supplemental EZ-Address form and send it certified mail, return receipt requested by April 1<sup>st</sup> to the appropriate local zone administrator listed in Appendix A.** If the due date falls on a weekend, hand delivered forms (including FedEx and UPS) must arrive by close of business on the weekday preceding the due date.

Under the Emergency Program Regulations, as required by statute, it must be a CPA who performs the agreed upon procedures outlined by DHCD. The CPA performing these procedures must be independent of the applicant and currently licensed in the State of Virginia. This CPA will test certain documentation and calculations used to prepare the job creation grant application and will report on these procedures and their findings in the attestation report signed and submitted by the CPA on behalf of their client. Contact your CPA to find out if they are able to fulfill the attestation requirements for this application. All CPAs should know if they are able to perform any agreed upon procedures. The following pages outline the step-by-step reporting requirements for the wage-based job creation grants.



## Step-by-Step Instructions for the CPA Attesting to EZ-JCG Materials

As required by statute, it must be a CPA who performs the agreed upon procedures outlined by DHCD. The CPA performing these procedures must be independent of the company and currently licensed in the State of Virginia. This CPA will test certain documentation and calculations used to prepare the job creation grant application and will report on these procedure and their findings in the attestation report signed and submitted by the CPA on behalf of their client. The following pages outline the step-by-step reporting requirements for the wage-based job creation grants.

### **Required JCG documentation for all applicants (items CPA will attest to):**

1. Completed Form EZ-JCG (hereafter referred to as the JCG form) for a business firm (excluding retail, food/beverage, local service businesses)
2. JCG worksheet for all permanent full time positions in the base year and grant year

### **CPA's Attestation Responsibilities:**

The attestation procedures outlined below for the job creation grants are structured in such a way as to ensure that the JCG form is complete; the company only includes permanent full time positions in the base year and grant year on the JCG worksheet and that the wage rates for the net new equivalent PFTP in the grant year are accurately indicated; the employment dates and wage rates for the positions listed on the worksheets are accurate and identical to the information on payroll and personnel documentation; and the company is not a local service, food or beverage, or retail establishment as such businesses are prohibited from applying for the grant.

## Attestation of Completed Application

The purpose of this attestation is to ensure that applications received by DHCD are accurate, complete and accompanied by the required attachments listed above.

1. The CPA will attest that the Job Creation Grant (EZ- JCG) application and JCG worksheet have been prepared in the prescribed format and size and contain the signed firm declaration and all of the required information.
2. The CPA will attest that the applicant has provided documentation and that the CPA has tested it to confirm that it is an eligible business unit within the Commonwealth qualified to apply for the Job Creation Grant. The business firm applying for JCG is NOT a unit of local, state, or Federal government as evidenced by the information included on the W-9 for the business firm. Units of government and non-profits would have to identify themselves as such on the W-9 form. In addition, units of local government typically have FEINs beginning with 54600.



## Attestation of Permanent Full Time Positions on JCG Worksheet

The JCG is based on net new permanent full time job creation above a four job threshold. The four net new permanent full time positions must have been created after the base year established by the firm and filled for 12 full months of the grant year. This four job threshold must be met each year of the five year qualification period. The four threshold jobs may be filled by more than four employees if there is high turnover. In order to identify the permanent full time position increase over the four threshold jobs, the base year and grant year employment information must be provided on the JCG worksheet.

The purpose of this attestation is to ensure that the employment information listed for the base year and/or grant year on the worksheet is accurate based on the W-4 and first and last payroll records for EF- PFTP during the base year and/or grant year.

The business will provide the CPA with a JCG worksheet of all employees filling permanent full-time positions in the base year and grant year (in alphabetical order) that the business has identified and each of those employees' W-4s and paystub/payroll record information (in alphabetical order) showing the first work date and the last work date in the base year and grant year in the permanent full time position where applicable.

1. For firms with up to 100 PFTE on the worksheets, the CPA will review a random sample of the employee documentation and worksheet calculations of 20 PFTE. For firms with more than 100 PFTE on the worksheet, the CPA will review a random sampling of 20 percent of all employees on the worksheet and reconcile the start/end work dates for such employees with the information provided on payroll records for those employees using the random sampling techniques established below.

Random sampling technique to be used: The CPA will review a random sampling (20 percent of base year employees) of the below information (a-c) for employees listed on the worksheet. The random sampling will be based on the use of a table of random numbers. The CPA will first assign each case on the population list (each employee listed on the JCG worksheet) a unique identification number. Then, the CPA will select cases for the 20 percent sample when their identification number corresponds to the number chosen from the table. The CPA will stop selecting cases when they have reached the desired sample size and if an identification number is selected more than once, ignore the repeats. Should the CPA find any non-reconcilable error (difference between information on employee documentation and what is listed for that employee on the worksheet) in the sample population then the CPA should continuously select another 20 percent sample from the original population until the first subsequent sample produces no non-reconcilable errors. The CPA, in the attestation report, shall submit by name those non-reconcilable errors found in the procedure. If the client chooses to revise the worksheet and application to remove the non-reconcilable item(s), the CPA shall verify that the revised worksheet has omitted the non-reconcilable item(s) and that there are no other resulting changes from the original worksheet.

2. Using this sampling technique, the CPA will review the JCG worksheet for base and/or grant year employment and attest that for each sampled employee listed on the worksheet, the required documentation (W-4 and first payroll and last payroll for base year and/or grant year has been pulled/provided by the company

- a. W-4:

- i. The CPA will review the sample population's W-4s to attest that they include the base year and/or grant year employee's name, social security number, and address. The date this W-4 was signed by the employee filling the permanent full-time position in conjunction with supporting employee payroll records in cases where the W-4 has been recently updated by the employee for withholdings changes or if there is a discrepancy represents their "hire date" for the permanent full time position for the purposes of this grant.

- b. Base year and/or grant year employee payroll records (first and last payroll records for the time the employee worked in the base year and/or grant year)- The CPA will:

- i. Reconcile the employee's name and employee number (where assigned) with the information included on the worksheet.
- ii. Review these documents to attest that the employee was working during the firm's selected base year and/or grant year and that this information is accurately indicated on the worksheet by confirming the first work date within base year and/or grant year and last work date within base year and/or grant year correspond to those dates listed for the employee on the worksheet.
- iii. Review the wage rates as indicated on first and last payroll records within the grant year for those sampled employees with information in columns P and Q to attest that employee earned at least 175 percent of the Federal minimum wage (\$9.01 per hour) and that this wage rate is accurately indicated on the worksheet in the appropriate column (P or Q), and that those employees were hired after the base year.
- iv. For such employees attest that there was no shift differential (that an employee's weekly wage rate did not fluctuate to a wage below 175 percent of the Federal minimum wage as a result of a change in shifts – from 2<sup>nd</sup> or 3<sup>rd</sup> shift to 1<sup>st</sup> shift) and that the position is permanent full time.
- v. For those sampled employees with information in column P or Q attest to the worksheet calculations for each employee whose wage rate fluctuated above or below 200 percent of the Federal minimum wage (but at least 175 percent of FMW). In the case of such fluctuations, the CPA will review the worksheets to verify that when an employee's wage rate changes, this change is listed on a separate row in the worksheet and that the employee was hired after the base year.
- vi. If the sampled employee's wages were calculated (i.e. converted from salary to hourly), the CPA will attest that the calculation was correct and will show the calculation in the report.

c. Health benefits information

- i. The CPA will review the signed health benefits enrollment agreement and other insurance coverage material documenting that the firm pays at least part of the cost of the employee's health insurance premium.
- ii. For those employees filling grant eligible PFTP that have declined health insurance coverage, the CPA will review a copy of each grant eligible employee's signed waiver of health benefits to verify that health benefits have been offered.
- iii. For those firms that self-insure their employees' medical claims, signed acknowledgement by the eligible new grant year EF-PFTP of the firm's policy is acceptable documentation.

3. The CPA will attest to the calculations on the worksheet by reviewing the formulas in the cells requiring calculations for those sampled employees.

#### Attestation of Churned Positions

Anti-churning:

The CPA will attest that the anti-churning provisions of 13 VAC 5-112-310 of the Emergency Program Regulations have been read to the firm representative signing the application and that the same firm representative has acknowledged by signing Form EZ-JCG that he or she certifies that all employees on the JCG worksheet comply with the anti-churning provisions.

Report to work:

The CPA will attest that the report to work definition of 13 VAC 5-112-10 of the Emergency Regulations has been read to the firm representative signing the application and that the same firm representative has acknowledged by signing Form EZ-JCG that he or she certifies that all employees listed on the worksheet report to work at the zone location at least once a month.

#### Attestation Regarding the Definition of Local Service

Businesses with the following NAICS codes are NOT considered local service (NAICS – 111-422; 481-493) and are NOT restricted from applying for job creation grants. CPAs performing the agreed upon procedures for clients with the above NAICS codes do not need to perform the below procedures.

1. The CPA will make an inquiry of the business firm representative (individual signing grant application) and attest that the business firm representative asserts that the business does NOT meet the definition of local service and the business generates at least 51 percent of its sales (based on receipts) (or membership in the case of non-profit headquarters) from outside the Commonwealth.

2. The company's affirmation to the above inquiry will be tested by the CPA through a random sampling of all invoices or bills in a given grant year. The random sampling procedures for this attestation are as follows: the applicant generates a list of all invoices or bills for that grant year. The CPA will assign a random number to each of those invoices or bills and using the random numbers, will sample 60 of the entire population of invoices or bills. If the applicant only has fewer than 61 invoices/bills then the CPA will use all such documents in the population to determine whether or not the applicant meets the definition of local service. The CPA will report what percentage of the invoices/bills resulted from sales activity outside the Commonwealth. For example, in the case of an engineering firm, an invoice is issued to a client located in Maine. In the case of nonprofit headquarters, the random sampling would come from membership documentation from the given grant year. For example, in the case of the American Planning Association headquarters, 76 percent of its members were from outside of Virginia.
3. The burden of proof as to whether or not a company meets the definition of local service falls on the company. Businesses with the following NAICS codes are NOT considered local service (NAICS – 111-422; 481-493) and are NOT restricted from applying for job creation grants. If the business does not track the source of its sales (i.e. physical address of clients is not on invoices or receipts) it will not be able to prove that it is not a local service, prohibiting the company from applying for the job creation grant. Businesses with NAICS codes for retail operations (441-454) or for food/beverage operations (722) cannot apply for the job creation grant.

## DEFINITIONS FOR WAGE-BASED JOB CREATION GRANTS

For a comprehensive list of definitions, obtain a copy of the Enterprise Zone Emergency Regulations from DHCD via [EZONE@dhcd.virginia.gov](mailto:EZONE@dhcd.virginia.gov) or from the web site [www.dhcd.virginia.gov](http://www.dhcd.virginia.gov).

**Agreed upon procedures engagement:**

Means an engagement between an independent certified public accountant licensed by the Commonwealth and the business or qualified zone investor seeking to qualify for Enterprise Zone incentive grants whereby the independent certified public accountant, using procedures specified by the Department, will test and report on the assertion of the business or qualified zone investor as to their qualification to receive the Enterprise Zone incentive.

**Base year, for wage-based job creation grants:**

Means either of the two calendar years immediately preceding a business firm's first year of grant eligibility, at the choice of the business firm.

**Business firm:**

Means any corporation, partnership, electing small business (subchapter S) corporation, limited liability company, or sole proprietorship authorized to do business in the Commonwealth of Virginia as well as business and professional organizations and associations whose classification falls under sectors 813910 and 813920 of the North American Industrial Classification Systems (NAICS).

**Common control:**

Means such firms as defined by Internal Revenue Code § 52(b).

**Department:**

Means the Virginia Department of Housing and Community Development.

**Federal minimum wage:**

Means the minimum wage standard as currently defined by the United States Department of Labor in the Fair Labor Standards Act, 29, U.S.C. 201 et seq. Such definition applies to permanent full time employees paid on an hourly or wage basis.

**Food and beverage service:**

Means a business whose classification falls under subsector 722 Food Services and Drinking Places of North American Industry Classification Systems (NAICS).

**Full month:**

Means the number of days that the permanent full time position must be filled in order to count in the calculation of the grant amount. A full month is equivalent to 30.416666 days.

**Grant eligible position:**

Means a new permanent full time position created above the threshold number at an eligible business firm. Positions in retail, local service or food and beverage service shall not be grant eligible positions.

**Health benefits:**

Means that at a minimum medical insurance is offered to employees by and partially paid for by the employer. The term “partially” will be defined in the Permanent Regulations and more guidance will follow in the revised manuals upon adoption of the permanent Regulations.

**Independent certified public accountant:**

Means a public accountant certified and licensed by the Commonwealth of Virginia who is not an employee of the business firm seeking to qualify for grants under this Program.

**Local zone administrator:**

Means the chief executive of the city or county, in which an enterprise zone is located, or his or her designee. Pursuant to enterprise zone designations made prior to July 1, 2005, this shall include towns.

**Permanent full-time position:**

Means a job of indefinite duration at a business firm located in an enterprise zone, requiring the employee to report to work within the enterprise zone; and requiring (i) a minimum of 35 hours of an employee's time per week for the entire normal year of a business firm's operation, which a normal year must consist of 48 weeks, (ii) a minimum of 35 hours of an employee's time per week for the portion of the calendar year in which the employee was initially hired for or transferred to the business firm, or (iii) a minimum of 1,680 hours per year. Such positions shall not include: (i) seasonal, temporary, or contract positions, (ii) a position created when a job function is shifted from an existing location in the Commonwealth to a business firm located with an enterprise zone, (iii) any position that previously existed in the Commonwealth, or (iv) positions created by a business that is simultaneously closing facilities in other areas of the Commonwealth.

**Regular basis:**

Means at least once a month as related to “report to work” requirements for the wage-based job creation grants.

**Related party:**

Means those as defined by Internal Revenue Code § 267(b).

**Report to work:**

Means that the employee filling a permanent full time position reports to the business' zone establishment on a regular basis.

**Retail:**

Means a business whose classification falls under sector 44-45 Retail Trade of the North American Industry Classification System (NAICS).

**Seasonal employee:**

Means any employee who normally works on a full time basis and whose customary annual employment is less than nine months. For example, individuals hired by a CPA firm during the tax return season in order to process returns and who work full-time over a three month period are seasonal employees.

**Threshold number:**

Means an increase of four permanent full time positions over the number of permanent full time positions in the base year or subsequent base year.

**Transferred employee:**

Means an employee of a firm in Virginia that is relocated to an enterprise zone facility owned or operated by that firm.

**Wage rate:**

Means the hourly wage paid to an employee inclusive of shift premiums and commissions. In the case of salaried employees, the hourly wage rate shall be determined by dividing the annual salary, inclusive of shift premiums and commissions by 1,680 hours. Bonuses, overtime, and tips are not to be included in the determination of wage rate.

**Zone:**

Means an Enterprise Zone declared by the Governor to be eligible for the benefits of this Program.



## REAL PROPERTY INVESTMENT GRANTS

Real property investment grants are available for investment made to industrial, commercial, or mixed use property in an enterprise zone. A mixed use property is a building incorporating residential uses in which a minimum of 30 percent of the useable floor space will be devoted to commercial, office or industrial use. Real property investment grants are available to qualified zone investors in amounts up to 30 percent of the total amount of qualified real property investment, not to exceed \$250,000 per building or facility within a five-year period. For real property investments of \$2 million or more, the grant is capped at \$250,000 per building or facility within a five-year period. For real property investments less than \$2 million, the grant is capped at \$125,000 per building or facility within a five-year period.

In the case of multiple owners or tenants of a building, the multiple owners or tenants will need to coordinate qualification. Such applicants can only apply for qualified real property investments made to the portion of the building which they own or hold a valid lease. If there is no coordination for qualified real property investments made to multi-owner/multi-tenant buildings, DHCD will implement its pro-ration procedures for such buildings as follows. Based on the cumulative qualified real property investment made to that building within the same five-year period, DHCD will determine the maximum grant cap available for that building (either \$125,000 or \$250,000). DHCD will then multiply that grant cap by the percent of the building's useable floor space for which the respective tenant(s)/owner(s) has a lease and/or the respective owner(s) has a deed of trust or other closing document or for which the developer has a contract to develop in instances where only a portion of the building is being developed. The grant cannot exceed this amount or 30 percent of the applicant's qualified real property investment (not exceeding the investment threshold cap), whichever is less. Depending on when each of the various tenants and/or owners apply for the grants for the real property investments they make, a different grant cap may be used based on cumulative investment at the time of the application submittal within the same consecutive five year period.

Any qualified zone investor (entity or individual) incurring the costs associated with the real property investments may apply for the grant with the exception of units of local, state, or federal government which are restricted from applying.

### Qualification Requirements

In order to qualify for the real property investment grant, the industrial, commercial, or mixed-use real property must be located in a Virginia enterprise zone. Units of local, state, or federal government are prohibited from applying for enterprise zone grants and do not constitute qualified zone investors. A qualified zone investor is any entity or individual (other than a unit of local, state, or federal government) that incurs the cost of the qualified real property investment. Qualified real property investments in general terms are qualified hard construction costs as defined in Section 59.1-548A of the Code of Virginia. The qualified zone investor must incur the minimum amount of qualified real property



investments depending on the nature of the investment, whether it is a rehabilitation or expansion of an existing building or facility or the construction of a new building or facility.

For the rehabilitation or expansion of existing structures, the qualified zone investor must spend at least \$50,000 in qualified real property investments. For the construction of a new building or facility, the qualified zone investor must incur at least \$250,000 in qualified real property investments. Regardless of the nature of the investment (rehabilitation, expansion, or new construction) the grant amount is capped at 30 percent of the total amount of qualified real property investments (including the investment thresholds listed above) not to exceed \$250,000 per building or facility within a five-year period.

#### Determination of the Grant Year

The qualified zone investor must apply for the real property investment grant for the calendar year in which the building was “placed in service.” The placed in service date is the date in which the final certificate of occupancy (CO) was issued for work done to the respective building or facility or the date that the final building inspection was performed and approved for the work done to the building or facility. All of the qualified real property investments under that one CO or final building inspection that were incurred by the qualified zone investor may be included in the grant application. The grant application is due on April 1<sup>st</sup> of the subsequent calendar year following the placed in service date. For example, if the final CO was issued on December 31, 2005, the qualified zone investor would submit their 2005 grant year application to DHCD by April 1, 2006.

Real property investments that were placed in service in calendar year 2004 that were not eligible to submit a Real Property Tax Credit prior to July 1, 2005 **because of the timing of their tax year** may apply for a real property investment grant in 2006.

#### General Limitations

The maximum grant amount is capped per building or facility and is not to exceed \$250,000 within a five-year year for qualified real property investments of at least \$2 million. For qualified real property investments less than \$2 million, the grant is capped at \$125,000 within a five-year period. However, should the cumulative amount of qualified real property investments made to a building or facility within the same five year period, reach the upper threshold of \$2 million, then the larger grant cap of \$250,000 may be reached.

In the case of multiple owners or tenants of a building, the multiple owners or tenants will need to coordinate qualification. Such applicants can only apply for qualified real property investments made to the portion of the building which they own or hold a valid lease. If there is no coordination for qualified real property investments made to multi-owner/multi-tenant buildings, DHCD will implement its procedures for such buildings as follows. Based on the cumulative qualified real property investment made to that building within the same five-year period, DHCD will determine the maximum grant cap available for that building (either \$125,000 or \$250,000). DHCD will then multiply that grant cap by the percent of the building’s useable floor space for which the respective tenant(s) as a lease and/or the respective owner(s) has a deed of trust or other closing document. The grant cannot exceed this amount or 30 percent of the applicant’s qualified real property investment,

whichever is less. Depending on when the various tenants apply for the grants for the real property investments they make, a different grant cap may be used based on cumulative investment at the time of the application submittal within the same consecutive five year period.

#### Prohibition of Duplication of Government Assistance

A qualified zone investor may not apply for the real property investment grant for investments already incurred and for which the entity received real property improvement tax credits.

A qualified zone investor **may** apply for both the enterprise zone real property investment grant and the state or federal historic tax credit.

### Grant Restrictions

Real property investment grants are only available for industrial, commercial, or mixed-use buildings located within one of Virginia's enterprise zones. Mixed use is defined as "a building incorporating residential uses in which a minimum of 30 percent of the useable floor space will be devoted to commercial, office, or industrial use." Buildings that meet the definition pursuant to Section 59.1-584A in the Code of Virginia are grant-eligible and the qualified zone investor may apply for the qualified real property investments made to the residential and non-residential portions of the building.

Buildings where less than 30 percent of the useable floor space is devoted to commercial, office or industrial use are not eligible for this grant. Qualified zone investors cannot apply for the portions of the useable floor space in such buildings that are devoted to commercial, industrial, or office uses if the building itself does not meet the definition of mixed use.

### Submission Checklist for Real Property Investment Grants

#### All Applicants

- ☐ The applicant is NOT a unit local, state, or federal government. Such entities are prohibited from applying for state enterprise zone incentives.
- ☐ The physical address of the real property is located in a Virginia Enterprise Zone. A **supplemental** address verification form, EZ-Address, must be completed, signed, and sent to the respective local zone administrator by April 1st. It is highly recommended that all application materials be sent certified mail, return receipt requested. If the due date falls on a weekend, hand delivered forms (including FedEx and UPS) must arrive by close of business on the weekday preceding the due date.
- ☐ Refer to Appendix A in the Enterprise Zone Grant Instruction Manual for the listing of local zone administrators.
- ☐ Indicate in the appropriate space on the application the type of zone investor (applicant) that is applying for the grant: The building owner, owner of a portion of the

building (condo), tenant, developer, or other. This is the investor that incurred the cost of the real property investments to the building or facility.

- ❑ Indicate in the appropriate space on the application, the type of real property for which a grant is being requested: A building or a facility. For definitions of both, refer to the Enterprise Zone Grant Instruction Manual.
- ❑ If the building is classified as mixed use, also complete and attach the required **supplemental** mixed use form, EZ-RPIG Mixed Use.
- ❑ If the building has multiple owners or multiple tenants, also complete and attach the required **supplemental** form, EZ-RPIG Multi-tenant/multi-owner.
- ❑ Include a Final Certificate of Occupancy, Final Building Inspection notice, or equivalent issued by the locality showing the date the building was placed in service. The date placed in service must fall within the grant year for which the qualified zone investor is seeking the grant. The term CO is used to mean any of these documents.
  - ❑ The CO must reference the building's physical address, which should match the physical address on the EZ-RPIG. These should be official documents from the locality or on the locality's letterhead.
- ❑ Include a list of the actual qualified investments made to the real property and their associated costs. The investments and costs must be itemized (do not round totals), and the list must be notarized and signed by the representative of the zone investor that signed Form EZ-RPIG. An example of an itemized list is in the Enterprise Zone Grant Instruction Manual.
- ❑ **The attestation report prepared by the applicant's independent CPA who is currently licensed in Virginia which reports on the agreed upon procedures established by DHCD must accompany the application. Applications without such reports or that have not been attested to by an attestation CPA will not be accepted.**

#### Submitting the Application

- ❑ The application **must be** a form EZ-RPIG and printed on 8½" x 14" paper, which is standard legal-sized paper. The minimum font size is 11 point.
- ❑ Form EZ-RPIG has been completed and signed by the representative of the zone investor.
- ❑ We strongly recommend you mail your application to our office via certified mail with return receipt. **The signed hard copy must be submitted to DHCD by no later than April 1, 2006.** If the due date falls on a weekend, hand delivered forms (including FedEx and UPS) must arrive by close of business on the weekday preceding the due date.
- ❑ **If applications are submitted electronically, the electronic application must be submitted no later than April 1, 2006 Eastern Standard Time and the signed hard**

**copy must be submitted by the due date as well.** To find out how to submit an application online, refer to [www.dhcd.virginia.gov](http://www.dhcd.virginia.gov) for instructions.

- A completed W-9 form must be included. The FEIN or SSN listed on the qualification application EZ-RPIG must match the FEIN or SSN on the W-9. The address listed on the W-9 form must be the same mailing address as listed on the application. A blank W-9 is located on the DHCD web site at [www.dhcd.virginia.gov](http://www.dhcd.virginia.gov) or you may call program support staff Roxanne Campbell at (804) 371-7030 to request a copy.

Please do not hesitate to contact DHCD at (804) 371-7030 or via e-mail at [EZONE@dhcd.virginia.gov](mailto:EZONE@dhcd.virginia.gov) with any questions you might have about how to qualify or complete the applications.

#### **Remember These Real Property Investment Grant Deadlines**

**April 1<sup>st</sup>** – Firm submits application to DHCD **and** sends address verification form to LZA

**April 30<sup>th</sup>** – Local Zone Office submits address verification form to DHCD.

**May 15<sup>th</sup>** – DHCD notifies firm of deficiencies.

**June 1st** – Firm resubmits, if necessary and deficiencies have been resolved.

**June 30<sup>th</sup>** – DHCD notifies firm of qualification.

**August** – Virginia Department of Treasury sends real property investment grant check to firm.

## Step-by-Step Instructions for the **Qualified Zone Investor** Completing Form EZ-RPIG

### Qualified Real Property Investment Thresholds

Prior to completing Form EZ-RPIG, the applicant will need to determine if they meet the basic qualification criteria. Applicants first should determine the type of qualified real property investment (rehabilitation, expansion, or new construction) by referring to the definitions following this portion (EZ-RPIG) of the manual. For rehabilitation and expansion of existing buildings or facilities, a minimum of \$50,000 in qualified real property

What Constitutes Qualified Real Property Investment?	
<b>Qualified Real Property Investments:</b> <ul style="list-style-type: none"><li>✓ Excavation, grading</li><li>✓ Paving</li><li>✓ Driveways, sidewalks</li><li>✓ Landscaping or other land improvements</li><li>✓ Demolition</li><li>✓ Carpentry</li><li>✓ Sheetrock, plaster</li><li>✓ Painting</li><li>✓ Ceilings</li><li>✓ Fixtures</li><li>✓ Doors, windows</li><li>✓ Fire suppression systems</li><li>✓ Roofing and flashing</li><li>✓ Exterior repair</li><li>✓ Cleaning and clean-up</li></ul>	<b>NOT Qualified Real Property Investments:</b> <ul style="list-style-type: none"><li>✗ Furnishings</li><li>✗ Appraisal, architectural, engineering and interior design fees</li><li>✗ Loan fees; points or capitalized interest</li><li>✗ Legal, accounting, realtor, sales and marketing or other professional fees</li><li>✗ Closing costs</li><li>✗ Permits, user fees, zoning fees, impact fees, inspection fees</li><li>✗ Bids</li><li>✗ Insurance</li><li>✗ Signage or signs</li><li>✗ Utilities</li><li>✗ Bonding</li><li>✗ Copying</li><li>✗ Rent loss</li><li>✗ Temporary facilities</li><li>✗ Utility hook-up or access fees</li><li>✗ Outbuildings</li><li>✗ Well, septic, or sewer systems</li><li>✗ Roads</li><li>✗ Land or building acquisition</li><li>✗ Basis of any property: (i) for which a grant was previously awarded; (ii) which was previously placed in service in Virginia by the taxpayer, a related party, or a trade or business under common control; or (iii) which was previously in service in Virginia and has a basis in the hands of the person acquiring it, determined in whole or in part by reference to the basis of such property in the hands of the person from whom acquired, or Internal Revenue Code §1014 (a).</li></ul>

investments must be made to the building or facility. For the construction of a new building or facility, the minimum investment threshold is \$250,000.

Secondly, the qualified zone investor needs to collect invoices, receipts, and checks for payment for qualified real property investments (hard construction costs) made to the building or facility under the final CO to determine if the minimum investment threshold (as specified above) was met. To determine what constitutes a building or facility refer to the

definitions following this portion of the manual. For the purposes of this grant, a facility is a group of buildings co-located at a single, physical location involved in related operations under common ownership or common control. In the case of a facility, the qualified zone investor(s) may make qualified real property investments to multiple buildings in multiple years. In such cases the qualified zone investor may apply for the grant for each building in the facility that is placed in service and meeting the investment threshold within a particular calendar year. This may allow a qualified zone investor to apply for the grant for qualified real property investments made to different buildings in different years. However, the grant cap for the facility is not to exceed \$125,000 or \$250,000 within a five consecutive year period depending on the cumulative level of qualified real property investment. Clustered (but not related or under common control) businesses or industries that choose to co-locate for convenience or by coincidence do not constitute a facility.

Once the qualified zone investor has collected the invoices, checks, and receipts for payment, the qualified zone investor will need to prepare an itemized schedule of qualified real property investment. This list must be signed and dated by the representative of the qualified zone investor that completes Form EZ-RPIG as outlined on page 40. The following invoice example on page 39 has been included to illustrate how the items from an invoice need to be listed on the schedule of qualified real property investment. For example, under the invoice item of carpentry, labor and materials are listed separately and the costs for each have been broken out. However, on the example schedule of qualified real property investments also listed below, the labor and material costs associated with carpentry work need to be combined and listed as carpentry. For each items listed in this schedule and on those submitted, DHCD assumes that labor, materials, and equipment necessary to perform such qualified real property investments are included in the total cost of such investments. These associated costs do not need to be broken down or listed separately.

<p align="center"><b><u>Invoice</u></b></p> <p align="center"><b>Rodgers Subcontractors, Inc., Invoice for Services Rendered to:</b></p>	
<p>Firm ABC 123 Main Street Enterprise City, Virginia 23219</p>	<p><b>Invoice Total: \$97,000</b></p>
<p><b>Carpentry:</b> work performed by Plush Linings Unlimited  Labor: \$3,000  Materials: \$13,000  Change Order Adjustments: \$1,000  Total: \$17,000</p>	
<p><b>Demolition:</b> work performed by Johnson Construction Company  On-site work: \$3,000  Disposal fees: \$1,500  Environmental fee: \$300  Total: \$4,800</p>	
<p><b>Electrical:</b> work performed by Blackwell Electrical and Repair Co.  Labor: \$300  Materials: \$700  Total: \$1,000</p>	
<p><b>Miscellaneous Repair:</b> work performed by Rodgers Subcontractors  Doors: \$3,800  Exterior Repair: \$29,200  Fire Suppression Systems: \$10,800  Fixtures: \$13,000  Plaster: \$2,200  Painting: \$6,900  Sheetrock: \$8,300  Total: \$74,200</p>	
	<p><b>Please Remit: \$97,000</b></p>

The miscellaneous repair items on the invoice are listed individually on the schedule of real property investments as doors, exterior repair, fire suppression systems, fixtures, plaster, painting, and sheetrock instead of being listed as one cost item, miscellaneous repair. An example schedule of qualified real property investment can be found on page 40.

The example on page 40 illustrates how the items on the invoice need to appear on the itemized list of qualified real property investments. Costs on the schedule should represent the actual dollar amount and should NOT be rounded.



### Itemized List of Qualified Real Property Investments

Firm ABC made the following qualified real property investments to a commercial building at 123 Main Street, Enterprise City, Virginia. This real property is located within the Enterprise City Enterprise Zone and was placed in service on March 1, 2005.

Carpentry	\$17,000
Demolition	\$ 4,800
Doors	\$ 3,800
Electrical	\$ 1,000
Exterior repair	\$29,200
Fire suppression systems	\$10,800
Fixtures	\$13,000
Plaster	\$ 2,200
Painting	\$ 6,900
Sheetrock	\$ 8,300
Total	\$97,000

Prepared by: John Doe, Grant Applicant Representative  
John Doe, Grant Applicant Representative

This schedule of qualified real property investments must total at least \$50,000 for rehabilitation or expansion work performed on existing buildings or facilities and \$250,000 for the construction of a new building or facility.

### **Qualified Zone Investor Classification**

The next step prior to completing Form EZ-RPIG is to classify the qualified zone investor as the owner, owner of space in the building, tenant, developer, or other category. The following is a breakdown of each classification. Regardless of the type of classification, the **qualified zone investor must have incurred the cost of the qualified real property investments** for which grants are being sought.

To apply for the grant as an **owner**, the qualified zone investor must own the entire building or facility but may or may not occupy the building or facility at all. The owner of the entire building or facility has control of how the grant for the building is distributed unlike multiple tenants/owners of space in a building or facility whereby coordination of applications must occur or DHCD will pro-rate the grants for such zone investors accordingly. If the qualified zone investor developed (renovated, expanded, or built new) the entire building or facility but does not own any portion of the building and does not occupy any portion of the building, then the qualified zone investor would be classified as a **developer**. In cases where the developer is only developing a portion of the building for a tenant or owner and the developer is incurring the cost of the qualified real property investments, the developer will need to provide a copy of the contract with said tenant/owner documenting the square footage of the real property investment.



If the qualified zone investor owns only a portion of the building (for example, owns a medical office condominium spanning one of the eight floors in the building) then the qualified zone investor would make application as one of the **multiple owners of the building**.

A qualified zone investor that leases space in the building or facility would be classified as a **tenant** of the building or facility. In the case of multiple owners or tenants of a building, the grant application process will need to be coordinated; the grant is capped per building or facility not per qualified zone investor. If the owners or tenants decide to coordinate qualification, they must submit along with their EZ-RPIG applications in writing the process they would like DHCD to honor in lieu of the below pro-ration process. This statement must be signed and notarized by representatives of all of the tenants or owners in the building, not just the zone investors applying for the grant.

If there is no coordination for qualified real property investments made to multi-owner/multi-tenant buildings, DHCD will implement its procedures for such buildings as follows. Based on the cumulative qualified real property investment made to that building within the same five-year period, DHCD will determine the maximum grant cap available for that building (either \$125,000 or \$250,000). DHCD will then multiply that grant cap by the percent of the building's useable floor space for which the respective tenant(s) has a lease and/or the respective owner(s) has a deed of trust or other closing document. The grant cannot exceed this amount or 30 percent of the applicant's qualified real property investment, whichever is less. Depending on when the various tenants apply for the grants for the real property investments they make, a different grant cap may be used based on cumulative investment at the time of the application submittal within the same consecutive five year period.

**A qualified zone investor classified as either a tenant or owner of a portion of the building is required to complete the supplemental form, EZ-RPIG Multi-tenant-owner prior to filling out Form EZ-RPIG.** On form EZ-RPIG Multi-tenant-owner, the qualified zone investor will need to provide the number of useable floors in the building and the useable square footage leased or owned by the qualified zone investor as indicated in the valid lease agreement, deed of trust, or other closing document. In addition, the qualified zone investor will need to list the total useable square footage in the building. In the case of a qualified zone investor classified as a tenant, this may necessitate contacting the management/leasing office or landlord for such information from measured drawings or floor plans. The total useable floor space in the building should be included in measured drawings/floorplans for office condo owners. Information on this supplemental form will be used to determine the maximum grant award issued to such a qualified zone investor. An example of how the grant award is pro-rated in these multi-tenant/multi-owner situations is outlined on the following page.

### Multi-tenant Pro-ration Example

A commercial building located in Richmond's South Enterprise Zone is occupied by two tenants. Each makes improvements but the two tenants do not coordinate their applications for the Real Property Investment Grant. Under this scenario, without coordination, DHCD will implement the multiple tenant/owner pro-ration formula. The total useable floor space in the building is 100,000 square feet. Each of these tenants occupy one half of the building, or 50 percent of the building. Two of the qualified zone investors complete the renovation work to their respective portions of the buildings in 2005.

2005:

Investor A spends \$100,000 in qualified real property investment

Investor B spends \$100,000 in qualified real property investment

Because the cumulative investment in 2005 (investors A and B) is less than \$2 million, the maximum grant amount for the entire building in 2005 could not exceed \$125,000. Because Investors A and B each occupy one half of the building, that grant cap translates into a maximum of \$62,500 in grants each for investors A and B. However, because 30 percent of \$100,000 is \$30,000, Investors A and B are only eligible for \$30,000 each in real property investment grants.

### Mixed Use Buildings

The next step prior to completing Form EZ-RPIG is for the qualified zone investor to determine if the building for which they are applying for the grant is commercial, industrial, or mixed use. In order for a qualified zone investor to apply for the grant for a mixed use building, it must meet the definition as outlined in Section 59.1-548A of the Code of Virginia for purposes of qualifying for the real property investment grant and complete the supplemental form EZ-RPIG Mixed Use. Mixed use is defined as "a building incorporating residential uses in which a minimum of 30 percent of the useable floor space will be devoted to commercial, office, or industrial use." Buildings that meet the definition pursuant to Section 59.1-548A in the Code of Virginia are grant-eligible and the qualified zone investor may apply for the qualified real property investments made to the commercial/office/industrial portions of the building and residential portions of the building.

Buildings where less than 30 percent of the useable floor space (Part II line 5 of EZ-RPIG Mixed Use) is devoted to commercial, office or industrial use are not eligible for this grant. If the calculations on the supplemental form are less than 30 percent, the qualified zone investor is will not qualify for the grant and consequently should not submit an application. Qualified zone investors cannot apply for the portions of the useable floor space in such buildings that are devoted to commercial, industrial, or office uses if the building itself does not meet the definition of mixed use.

To complete the supplemental form EZ-RPIG Mixed Use, the grant applicant representative will need to contact the preparer of the measured drawings or plans for the work done to the referenced building. The preparer of these plans may be the licensed architect, surveyor or draftsman (or representative of the architect, surveyor, etc.) that created the approved plans submitted to the locality to obtain the necessary permits for the real property investment. This individual will transfer the useable floor space information by uses indicated on the measured drawings/plans to this supplemental form. Thirty percent of the useable floor space from these drawings must be devoted to commercial, office or industrial use in order to meet the definition of mixed use as defined by statute. The representative for the qualified zone investor and the preparer (or the preparer's representative) of the measured drawings/plans both must sign this supplemental form. If the preparer is a licensed architect, then he/she must also provide his/her official AIA seal on this form. If the drawings were prepared by a surveyor, draftsman, contractor, etc, that individual (or their representative) must have his/her signature notarized on the form.

Once the schedule of qualified real property investments and any applicable supplemental forms (EZ-RPIG Multi-tenant-owner or EZ-RPIG Mixed Use) are complete, the qualified zone investor is then ready to complete the application form EZ-RPIG.

Print form EZ-RPIG on 8½" x 14" paper.

## **PART I: BACKGROUND INFORMATION**

### **1. Zone Name**

- Indicate the zone's name, number and designation date, as listed in Appendix A.
- Contact the local zone administrator (contact information in Appendix A) to verify in which zone the applicant is located. Also, complete the supplemental EZ-Address form and send it certified mail, return receipt requested to the respective local zone administrator by April 1<sup>st</sup>.

### **2. Qualified Zone Investor's Legal Name**

- Indicate the applicant's legal name.
- Indicate the type of qualified zone investor: Owner of entire building; owner of a portion of the building (i.e. office condo); tenant of the building; or developer of the building. Refer to pages 40 and 41 of this manual for information on qualified zone investor classification.

### **3. Federal Employment ID# (FEIN)/Social Security Number (SSN)**

- If the applicant is an S Corp, LLC, Partnership, Corporation, Sole Proprietorship, or other business entity indicate the applicant's nine digit Federal Employment Identification Number.
- If the applicant is an individual, indicate the applicant's nine digits Social Security Number.

### **4. Principal Mailing Address**

- Indicate the applicant's mailing address.
- **The grant certificate of qualification, grant check, and any related correspondence will be mailed to this address.**

### **5. Physical Address of Building or Facility**

- If the physical enterprise zone location of the real property for which grants are being sought is different than the applicant's mailing address, indicate the physical address here.
- Check with the local zone administrator (see Appendix A) to verify that the physical address of the real property (building or facility) is located within the zone.
- In addition to filling out this portion of the application, the applicant will also need to complete an address verification form, EZ-Address. Refer to Appendix A in this manual for instructions on how to complete Form EZ-Address.

### **6. Property Identification Number(s)**

- In the space provided, list **all** of the property identification numbers associated with the physical address listed above. The property identification number(s) are the unique reference numbers associated with a particular property. Buildings with multiple owners or tenants, or even a building with multiple street fronts, may have

multiple property identification numbers. All of these numbers corresponding to the building must be identified in this space on the application. These unique identification numbers vary by locality. In some localities these unique property identification numbers may be the tax identification numbers, in other cases they may be map reference identification numbers, tax map reference numbers, or something else. In order to obtain this information, the qualified zone investor will have to contact the local zone administrator. The local zone administrator will know where to locate this information. This information will be also listed by the zone administrator on the required form EZ-Address.

- In addition to providing the unique identification numbers associated with the building or facility, indicate whether the real property investments were made to a building or a facility. Refer to the definitions following this portion of a manual for more information.
- Indicate the use classification of the real property as industrial, commercial, or mixed use. If you have identified the building as mixed use, refer to pages 45 and 46 of this manual to complete the supplemental EZ-RPIG mixed use form. Qualified zone investors may not apply for the grant for buildings that are not industrial, commercial, or mixed use.

#### **7. Grant Applicant Representative**

- List the name, title, daytime phone number, and E-mail address of the person who can answer questions about this application.
- **The grant check will be mailed to this person's attention. The mailing address for this contact person should be listed on Part I, line 4.**

#### **8. Check the type of real property investment made by the qualified zone investor**

- To determine whether or not the investment is classified as rehabilitation, expansion, or new construction, refer to the definitions that follow this portion of the application.

### **PART II: QUALIFICATION INFORMATION**

#### **1. Date Real Property Placed into Service**

- List the date the final Certificate of Occupancy (CO) was issued for the work done to the building or facility. **This placed in service date must be within calendar year 2005.** Applications with final COs or final building inspections issued for a year other than 2005 will not be accepted. The only exception is as follows: a 2004 final CO for a building such that a Real Property Improvement Tax Credit request could not be filed by July 1, 2005 because of the timing of the applicant's tax year.
- If the building was in continual use during the renovation/expansion work, list the date the final building inspection was performed.
- The final CO cannot be temporary or pending. In cases where the final CO is temporary or pending (indicated on certificate), the applicant will contact the DHCD's Enterprise Zone Program staff to determine what information if any, would be acceptable in place of the final CO.
- The final building inspection report document must be approved/passed and not pending or temporary. In cases where the final building inspection is temporary or

pending, the applicant will contact the DHCD's Enterprise Zone Program staff to determine what information if any, would be acceptable in place of the final building inspection.

**2. Qualification is requested for calendar year**

- This line of the application form EZ-RPIG has already been completed. Notwithstanding the exclusion mentioned above, only grant requests for real property placed in service during the 2005 grant year will be accepted.

**3. Eligibility Test**

A. List the total dollar value of qualified real property investments made by the applicant. This value is based on the schedule of qualified real property investments prepared by the applicant. Refer to pages 39 and 40 of this manual for more information.

B. If you checked "owns space in a building" or "tenant in a building" in Part I line 2, you also should have completed supplemental form EZ-RPIG Multi-tenant-owner. Refer to pages 40 and 41 of this manual for instructions on how to complete this supplemental form. On the space provided in this form enter the square footage leased or owned by the qualified zone investor from line 4 of EZ-RPIG Multi-tenant-owner.

C. If you checked "owns space in a building" or "tenant in a building" in Part I line 2, you also should have completed supplemental form EZ-RPIG Multi-tenant-owner. Refer to pages 40 and 41 of this manual for instructions on how to complete this supplemental form. On the space provided in this form enter the total useable square footage in the building from line 5 of EZ-RPIG Multi-tenant-owner.

D. Multiply the amount listed on Part II line 3A by 30 percent. This is the amount of the grant the qualified zone investor is requesting. This amount cannot exceed \$125,000 for investments (line A) less than \$2 million. This amount cannot exceed \$250,000 for investments (line A) of \$2 million or more. If you own space in a building or are a tenant, the maximum grant amount will be based on the percentage of square footage owned or occupied by the qualified zone investor times the applicable grant cap OR 30 percent of the total amount of qualified real property investment (not to exceed the maximum per threshold), whichever is less.

**4. Real Property Investment Grants previously issued to this building/facility**

A. Because calendar year 2005 is the first year in which real property investment grants will be issued to a building, all applicants should check the box indicating "No" grants have been previously awarded for this building.

B. Beginning in late 2006, DHCD will make available on its website, a searchable database of those buildings/facilities that have received real property investment grants in 2005 (and forward) which will include the property identification numbers, physical address, and amount of grants issued. Applicants starting with the 2006

grant year will need to search this database to print this information and attach it to the application. This information will be used to determine how much in grants for the building are available.

### **PART III: DECLARATION**

The application must be signed and dated by a representative of the zone investor that has reviewed the application and required attachments for accuracy and completion.

**Be certain to attach the following to the completed EZ-RPIG:**

- 1. A completed W-9 form**
- 2. A copy of the final CO or final building inspection**
- 3. The signed schedule of qualified real property investments**
- 4. Completed supplemental forms (EZ-Mixed Use or EZ-Multi-tenant-owner) as applicable**
- 5. The signed agreed upon procedures attestation report produced by the CPA**

**Also, be sure to complete the supplemental EZ-Address form and send it certified mail, return receipt requested by April 1<sup>st</sup> to the appropriate local zone administrator listed in Appendix A.**

Under the Emergency Program Regulations, as required by statute, it must be a CPA who performs the agreed upon procedures outlined by DHCD. The CPA performing these procedures must be independent of the zone investor and currently licensed in the State of Virginia. This CPA will test certain documentation and calculations used to prepare the real property investment grant application and will report on these procedures and their findings in the attestation report signed and submitted by the CPA on behalf of their client. Contact your CPA to find out if they are able to fulfill the attestation requirements for this application. All CPAs should know if they are able to perform any agreed upon procedures. The following pages outline the step-by-step reporting requirements for the real property investment grants.



As required by statute, it must be a CPA who performs the agreed upon procedures outlined by DHCD. The CPA performing these procedures must be independent of the company and currently licensed in the State of Virginia. This CPA will test certain documentation and calculations used to prepare the real property investment grant application and will report on these procedure and their findings in the attestation report signed and submitted by the CPA on behalf of their client. The following pages outline the step-by-step reporting requirements for the real property investment grant.

**Required RPIG documentation for all applicants**

- 1. Form EZ-RPIG (hereafter referred to as the RPIG form) is complete, all applicable questions are answered, and the form has signed and dated application to be submitted to DHCD by April 1.**
- 2. Qualified zone investor applying for RPIG is NOT a unit of local, state, or Federal government as evidenced by the information included on the W-9 for the qualified zone investor. Units of government and non-profits would have to identify themselves as such on the W-9 form. In addition, units of local government typically have FEINs beginning with 54600.**
- 3. For mixed use buildings only, there is a supplemental form to indicate the usable floor space in the building and by use. The form will be completed by the individual/firm that prepared the measured drawings/plans submitted to the local building official to obtain necessary permits for improvements to the mixed use building. The usable floor space on by use(s) as documented on the measured drawings will be indicated on this form. The form would also include a statement to be signed by applicant/architect that stamped and sealed measured drawings will be provided to DHCD at their request and if they are not provided at DHCD's request, applicant may be denied a grant.**
- 4. For buildings with multiple owners or tenants, there is a supplemental form to indicate the useable floor space occupied by the tenant or owner. The applicant completing the form will need to contact the building owner/management company to obtain information on the total building square footage if not specified in the closing documents (condo owner) or current lease agreement (tenant).**
- 5. CO/final building inspection – with same physical address as referenced on application and date is within current grant year**
- 6. Signed list of qualified real property investments**

## **CPA's Attestation Responsibilities:**

### **Attestation of Completed Application**

The purpose of this attestation is to ensure that applications received by DHCD are accurate, complete and accompanied by the required attachments listed above.

1. The CPA will attest that the Real Property Investment Grant Form EZ-RPIG and all required attachments have been prepared in the prescribed format and Form EZ-RPIG contains the signed declaration.
2. The CPA will attest that the applicant has provided documentation verifying the information in Part I of Form EZ-RPIG and that the qualified zone investor is not a unit of local, state or federal government by reviewing information on the W-9 to confirm that the qualified zone investor has not identified itself as a unit of local, state, or federal government. The CPA will also review the FEIN listed on the W-9 and on the RPIG form to ensure that they are the same and are not indicative of a unit of local government which has a FEIN beginning with 54600.

### **Attestation of Qualified Real Property Investments**

The purpose of the below attestation procedures is to first ensure that only qualified real property investments are listed on the schedule as signed by the qualified zone investor. Secondly, to ensure that the amount and type of qualified real property investments listed on the schedule accurately reflects the amount and type of qualified real property investments made by the qualified zone investor based on review and reconciliation with information on the capital (asset) account books and on the invoices, contracts, and receipts. Lastly, the intention of this attestation is to ensure that the total cost of qualified real property investments indicated on the invoices, contracts, or receipts equals the amount of qualified real property investments incurred by the qualified zone investor.

1. The CPA will attest that the schedule of qualified real property investments includes only those cost categories qualifying for the Enterprise Zone "qualified real property investments" per 59.1-548A of the Code of Virginia and the Enterprise Zone Emergency Regulations.
2. The CPA will attest that the items and costs listed on the schedule were properly charged to the capital (asset) account. Any investments/items that have been expensed cannot be included on the schedule of qualified real property investment. The CPA will review the schedule for any items that are not charged to the capital account. In cases where not all qualified real property investments under the final CO charged to the capital account have been paid for, in order to count those qualified real property investments, a charge to a capital account with a corresponding recorded entry to a liability account and proof of subsequent payment thereof within 60 days of the year end is satisfactory proof of a properly recorded charge to a capital account at year end. In the case of cash basis zone investors' items must be actually paid for by the end of the year.
3. Then, the CPA will review 100 percent of the invoices/receipts to verify that they were properly chargeable to the capital (asset) account under generally accepted accounting principles or an other comprehensive basis of accounting.

4. The CPA will report the dollar value of qualified real property investments as listed on the schedule and whether or not this corresponds to the amount of qualified real property investments listed on Part II line 3.A. of Form EZ-RPIG.

#### **Attestation of Square Footage for Mixed Use Buildings**

The purpose of this attestation is to ensure that the square footage and use information indicated on the measured drawings has been accurately indicated on the supplemental form for mixed use buildings. The qualified zone investor must provide the CPA with access to the measured drawings.

1. If the applicant has indicated in Part I of Form EZ-RPIG on line 6 “Mixed use,” the CPA will attest that the applicant has provided the CPA with the supplemental form EZ-RPIG Mixed Use to verify that it has been “completed by the preparer (or the representative of the preparer) of the measured drawings/plans submitted to the locality” and that it contains the professional seal (AIA) or notarized signature of the preparer (or representative of the preparer) of the drawings if not an architect.

#### **Attestation of Square Footage for Multi-tenant or Multi-owner buildings**

The purpose of this attestation is to ensure that the square footage information indicated in the current lease agreement (tenant) or the closing documents (condo owner) are accurately indicated on the supplemental form for buildings with multiple owners or tenants. The qualified zone investor must provide the CPA with access to the closing documents or lease.

1. If the applicant has indicated in Part I of the EZ-RPIG Block 2 “owns space in a building (i.e. office condo)” or “Tenant in building,” the CPA will attest that the information noted in Part II of the Form EZ-RPIG, lines 3B and 3C agrees with the supplemental EZ-RPIG- Multi-tenant-owner form lines 4 and 5 respectively, and that the applicant has signed and completed supplemental Form EZ-RPIG Multi-tenant-owner and provided the CPA with documentation (the signed lease, deed of trust, or other closing documents) validating the accuracy of lines 3, 4, and 5 on the supplemental form. The CPA will check that Line 6 of the supplemental form is mathematically correct.

#### **Attestation of Placed in Service Documentation**

The RPIG is performance based. The qualified real property investments must be complete and up to code as evidenced by the “placed in service date” – the date of the final Certificate of Occupancy (CO) or final building inspection for the building. The “placed in service date” dictates the calendar year in which the qualified zone investor applies for the grant. The purpose of the below attestation procedures is to ensure that the real property was “placed in service” during the grant year and that the building/facility is up to code.

1. The CPA will review the final Certificate of Occupancy (CO) or final building inspection for the building to verify that the physical address on the final CO or final building inspection is the same address as listed on the application.
2. The CPA will review the final CO or final building inspection to verify that the date of issuance is within the grant year.

3. The CPA will review the final CO or final building inspection to verify that it was final not temporary or pending. In cases where the final CO or final building inspection is temporary, failed or pending, the applicant will contact the DHCD's Enterprise Zone Program staff to determine what information if any, would be acceptable in place of the final CO or final building inspection. If the applicant has not contacted DHCD but does so prior to the CPA's completion of the engagement and obtains the documentation deemed acceptable by DHCD, the CPA can then make the necessary assertion.
4. The CPA will review the final CO/final building inspection to verify that the name listed on the final CO or final building inspection matches the name of the qualified zone investor. If a different entity or individual is listed on the final CO/final building inspection report, the qualified zone investor must sign and prepare a cover letter explaining their relationship with the entity listed on the placed in service documentation.

## DEFINITIONS FOR REAL PROPERTY INVESTMENT GRANTS

For a comprehensive list of definitions, obtain a copy of the Enterprise Zone Emergency Regulations from DHCD via [EZONE@dhcd.virginia.gov](mailto:EZONE@dhcd.virginia.gov) or from the web site [www.dhcd.virginia.gov](http://www.dhcd.virginia.gov).

**Agreed upon procedures engagement:**

Means an engagement between an independent certified public accountant licensed by the Commonwealth and the qualified zone investor seeking to qualify for Enterprise Zone incentive grants whereby the independent certified public accountant, using procedures specified by the Department, will test and report on the assertion of the qualified zone investor as to their qualification to receive the Enterprise Zone incentive.

**Building:**

Means a structure built on a single foundation and under one roof regardless of address, ownership or tax assessment configurations or separation of sections by fire walls.

**Common control:**

Means those firms as defined by Internal Revenue Code § 52(b).

**Department:**

Means the Department of Housing and Community Development.

**Expansion:**

Means an increase in square footage or the footprint of an existing nonresidential building via a shared wall, or enlargement of an existing room or floor plan. Pursuant to real property investment grants this includes mixed use buildings.

**Facility:**

Means a complex of buildings, co-located at a single physical location within an enterprise zone, all of which are necessary to facilitate the conduct of the same trade or business. This definition applies to new construction, as well as to the rehabilitation and expansion of existing structures.

**Independent certified public accountant:**

Means a public accountant certified and licensed by the Commonwealth of Virginia who is not an employee of the business firm seeking to qualify for state tax incentives and grants under this program.

**Local zone administrator:**

Means the chief executive of the city or county, in which an enterprise zone is located, or his or her designee. Pursuant to enterprise zone designations made prior to July 1, 2005, this shall include towns.

**Mixed use:**

Means a building incorporating residential uses in which a minimum of 30 percent of the

useable floor space will be devoted to commercial, office or industrial use. Buildings where less than 30 percent of the useable floor space is devoted to commercial, office or industrial use shall be considered primarily residential in nature and shall not be eligible for a grant under 13 VAC 5-112-110. This definition applies only for the purpose of qualifying for Enterprise Zone incentives pursuant to 13 VAC 5-112-330.

**New construction:**

Means a single, nonresidential facility built on previously undeveloped land of a nonresidential structure built on the site/parcel of a previously razed structure with no remnants of the prior structure or physical connection to existing structures or outbuildings on the property. Pursuant to real property investment grants this shall include mixed use buildings.

**Qualified real property investment:**

Means the amount properly chargeable to a capital account for improvements to rehabilitate, expand or construct depreciable real property placed in service during the calendar year within an enterprise zone provided that the total amount of such improvements equals or exceeds (i) \$50,000 with respect to a single building or a facility in the case of rehabilitation or expansion or (ii) \$250,000 with respect to a single building or a facility in the case of new construction. Qualified real property investments include expenditures associated with (a) any exterior, interior, structural, mechanical or electrical improvements necessary to construct, expand or rehabilitate a building for commercial, industrial or mixed use; (b) excavations; (c) grading and paving; (d) installing driveways; and (e) landscaping or land improvements. Qualified real property investments shall include, but not be limited to, costs associated with demolition, carpentry, sheetrock, plaster, painting, ceilings, fixtures, doors, windows, fire suppression systems, roofing, flashing, exterior repair, cleaning and cleanup.

**Qualified real property investment shall not include:**

1. The cost of acquiring any real property or building.
2. Other acquisition costs including: (i) the cost of furnishings; (ii) any expenditure associated with appraisal, architectural, engineering, surveying, and interior design fees; (iii) loan fees, points, or capitalized interest; (iv) legal, accounting, realtor, sales and marketing, or other professional fees; (v) closing costs, permits, user fees, zoning fees, impact fees, and inspection fees; (vi) bids, insurance, signage, utilities, bonding, copying, rent loss, or temporary facilities incurred during construction; (vii) utility connection or access fees; (viii) outbuildings; (ix) the cost of any well or septic or sewer system; and (x) roads.
3. The basis of any property: (i) for which a grant under this section was previously provided; (ii) for which a tax credit under § 59.1-280.1 of the Code of Virginia was previously granted; (iii) which was previously placed in service in Virginia by the qualified zone investor, a related party as defined by Internal Revenue Code § 267 (b), or a trade or business under common control as defined by Internal Revenue Code § 52 (b); or (iv) which was previously in service in Virginia and has a basis in the hands of the person acquiring it, determined in whole or in part by reference to the basis of such property in the hands of the person from whom it was acquired or Internal Revenue Code § 1014 (a).

**Qualified zone investor:**

Means an owner or tenant of real property located within an enterprise zone who expands, rehabilitates or constructs such real property for commercial, industrial or mixed use. In the case of a tenant, the amounts of qualified zone investment specified in this section shall relate to the proportion of the property for which the tenant holds a valid lease. Units of local, state and federal government or political subdivisions shall not be considered qualified zone investors.

**Real property investment grant:**

Means a grant made under § 59.1-548 of the Code of Virginia. This definition applies only for the purposes of qualifying for Enterprise Zone incentives pursuant to 13 VAC 5-112-330.

**Rehabilitation:**

Means the alteration or renovation of all or part of an existing nonresidential building without an increase in square footage. Pursuant to real property investment grants this shall include mixed use buildings

**Zone:**

Means an enterprise zone declared by the Governor to be eligible for the benefits of this program



## APPENDIX A - LOCAL ENTERPRISE ZONE ADDRESS VERIFICATION

All grant applicants are required to complete the supplemental form EZ-Address in addition to completing the respective grant application and required attachments. If an applicant is applying for both the wage-based Job Creation Grants and the Real Property Investment Grant for the same year, they only need to complete one EZ-Address form. The grant applicant must complete and sign Part I of the form and send it to the appropriate local zone administrator using the contact information listed in the charts below. All EZ-Address forms are due to the local zone administrator by April 1<sup>st</sup>. Late forms will not be accepted. Forms delivered via the US Postal Service must be postmarked by April 1<sup>st</sup>. UPS and FedEx type delivery are considered hand delivery and must reach the local zone administration office by the close of business on April 1<sup>st</sup>. If April 1<sup>st</sup> falls on a weekend, hand delivered applications (including FedEx and UPS) must reach the respective office by close of business the weekday preceding the due date. **It is highly recommended that applicants send all grant application materials certified mail, return receipt requested as soon as possible to DHCD or in the case of the Form EZ-Address, to the Local Zone Administrator.**

Print form EZ-Address on 8½" x 11" paper.

### PART I: COMPLETED BY GRANT APPLICANT

#### 1. Grant Applicant's Legal Name/ Federal Employment ID# (FEIN)/Social Security Number (SSN)

- Indicate the applicant's legal name.
- If the applicant is an S Corp, LLC, Partnership, Corporation, Sole Proprietorship, or other business entity indicate the applicant's nine digit Federal Employment Identification Number.
- If the applicant is an individual, indicate the applicant's nine digits Social Security Number.

#### 2. Physical Address of Building or Facility

- Check with the local zone administrator prior to completing this form and all grant applications to verify that the physical address of the real property (building or facility) is located within the zone.
- List the physical address for the building or facility (physical address listed on EZ-RPIG or EZ-JCG)

#### Grant Applicant Representative

The grant applicant representative that prepared the EZ-Address form and the EZ-RPIG and/or EZ-JCG application must include their signature, name, and title. This signature must be dated.

The local zone administrator will verify that the physical address is located within the enterprise zone and the local zone administrator will complete the appropriate portion of Form EZ-Address and submit it to DHCD by no later than close of business on April 30<sup>th</sup>.

Forms delivered via the US Postal Service must be delivered by April 30<sup>th</sup>. UPS and FedEx type delivery are considered hand delivery and must reach the local zone administration office by the close of business on April 30<sup>th</sup>. **It is highly recommended that zone administrator sends all completed EZ-Address forms certified mail, return receipt requested as soon as possible to DHCD.**

## **PART II: COMPLETED BY THE LOCAL ZONE ADMINISTRATOR**

### **1. Zone Name**

- Indicate the zone's name, number and designation date, as listed in the chart that follows.

### **2. Physical Address of Building or Facility**

- Using the official zone boundary verification process established by the zone locality, confirm if the physical address listed on Part I, Line 2 is within the current enterprise zone boundaries.
- If the physical address provided by the grant applicant is not within the zone boundaries, contact the grant applicant representative and notify DHCD. Applicants with property located outside of an enterprise zone are not eligible to apply for any enterprise zone incentives.
- Should the grant applicant representative provide inaccurate information in Part I, the local zone administrator is not liable for identified the said property as being either in the zone or outside of the zone.

### **3. Property Identification Number(s)**

- In the space provided, list **all** of the property identification numbers associated with the physical address listed above in Part I. The property identification number(s) are the unique reference numbers associated with a particular property. In the case of buildings with multiple owners or tenants, or even a building with multiple street fronts, such buildings may have multiple property identification numbers. All of these numbers corresponding to the building must be identified. These unique identification numbers vary by locality. In some localities these unique property identification numbers may be the tax identification numbers, in other cases they may be map reference identification numbers, tax map reference numbers, or something else.

### **Local Zone Administrator**

The local zone administrator that prepared Part II of this form must include their signature, name, and title. This signature must be dated.

Locality	Zone Number	Designation Date	Contact Name, Address, Phone #, and E-mail Address
Accomack and Northampton Counties	26	1/1/1995	<p>Ms. Melissa Mulholland Accomack County Airport and Industrial Park 29194 Parkway North Melfa , VA 23410 (757) 787-4600 <a href="mailto:mmulholland@co.accomack.va.us">mmulholland@co.accomack.va.us</a></p> <p>Ms. Katherine H. Nunez County Administrator Northampton County P.O. Box 66 Eastville, VA 23347 (757) 678-0440 <a href="mailto:knunez@co.northampton.va.us">knunez@co.northampton.va.us</a></p> <p>Ms. Barbara Schwenk Economic Development Coordinator Accomack-Northampton Planning District Commission P.O. Box 417 Accomack, VA 23301 (757) 787-1247, ext. 115 <a href="mailto:schwenk@easternshore.org">schwenk@easternshore.org</a></p>
Alexandria	20	1/1/1994	<p>Mr. George N. Williams Manager, Small Business Development Alexandria Economic Development Partnership, Inc. 1729 King Street, Suite 410 Alexandria, VA 22314 (703) 739-3820 x 11 <a href="mailto:williams@alexecon.org">williams@alexecon.org</a></p>
Alleghany County, Covington and Clifton Forge	53	1/1/2001	<p>Mr. Gary Partridge Economic Development Director Alleghany Highlands Economic Development Corporation 1000 Dabney Drive Clifton Forge, VA 24422 (540) 862-0936 <a href="mailto:gpartridge@ntelos.net">gpartridge@ntelos.net</a></p>

Locality	Zone Number	Designation Date	Contact Name, Address, Phone #, and E-mail Address
Bedford City	12	1/1/2005	Ms. Elizabeth Berry-Mosley Assistant Director Planning P.O. Drawer 807 Bedford, VA 24523 (540) 587-6020 <a href="mailto:elizabeth@bedfordva.gov">elizabeth@bedfordva.gov</a>
Brunswick County and Lawrenceville	32	1/1/1996	Ms. Melissa Morris Brunswick Co. IDA Post Office Box 48 Lawrenceville, VA 23868 (434) 848-0248 <a href="mailto:msmorris@meckcom.net">msmorris@meckcom.net</a>
Carroll County and Hillsville	27	1/1/1995	Mr. Tom Elliott Executive Director Carroll/Grayson/Galax EDA Suite 9124 1117 E. Stuart Drive Galax,, VA 24333 (276) 238-9005 <a href="mailto:tomelliott@graysoncondev.org">tomelliott@graysoncondev.org</a>
Charlotte, Lunenburg, and Prince Edward Counties	48	1/1/2000	Ms. Stephanie O. Heintzleman Charlotte County Assist. Administrator Post Office Box 608 Charlotte Court House, VA 23923 (434) 542-5117 <a href="mailto:steph@co.charlotte.va.us">steph@co.charlotte.va.us</a>  Sharon Carney Economic Development and Tourism Prince Edward County P.O. Box 625 Farmville, VA 23901 <a href="mailto:scarney@co.prince-edward.va.us">scarney@co.prince-edward.va.us</a>
Chesterfield County Jefferson Davis Zone	21	1/1/1994	Ms. Faith McClintic Economic Development Office 9401 Courthouse Road. Suite B Chesterfield, VA 23832 (804) 748-3963 <a href="mailto:faith@chesterfieldbusiness.com">faith@chesterfieldbusiness.com</a>
Chesterfield County Walthall Zone	33	1/1/1996	Ms. Faith McClintic Economic Development Office 9401 Courthouse Road. Suite B Chesterfield, VA 23832 (804) 748-3963

Locality	Zone Number	Designation Date	Contact Name, Address, Phone #, and E-mail Address
			<a href="mailto:faith@chesterfieldbusiness.com">faith@chesterfieldbusiness.com</a>
Danville	01	1/1/2004	Mr. Jerry Fischer Department of Community Development and Engineering Post Office Box 3300 Danville, VA 24543 (434) 799-5261 <a href="mailto:fischgl@ci.danville.va.us">fischgl@ci.danville.va.us</a>
Dickenson County, Clintwood and Haysi	49	1/1/2000	Ms. Charlotte Mullins Dickenson Co. Economic Dev. Office Post Office Box 1989 Clintwood, Virginia 24228 (276) 926-1699 <a href="mailto:charlotte.mullins@ida.dccwin.org">charlotte.mullins@ida.dccwin.org</a>
Dinwiddie County and Petersburg	47	1/1/1998	Mr. Guy Scheid Planning Department PO Box 266 Dinwiddie, Virginia 23841 (804) 469-4542 <a href="mailto:wcscheid@dinwiddieva.us">wcscheid@dinwiddieva.us</a>
Galax	13	1/1/1988	Mr. Tom Elliott Executive Director Carroll-Grayson-Galax EDA Suite 9124 1117 E. Stuart Drive Galax, VA 24333 276-238-9005 <a href="mailto:tomelliott@graysoncondev.org">tomelliott@graysoncondev.org</a>
Greensville County	34	1/1/1996	Mr. Ted Costin County Administration Office 1750 E. Atlantic Street Emporia, VA 23847 (434) 348-4232 <a href="mailto:planning@greenvillecountyva.gov">planning@greenvillecountyva.gov</a>
Halifax County and South Boston	15	1/1/1988	Ms. Patsy Y. Vaughan Industrial Development Authority of Halifax County 515 Broad Street Post Office Box 1281 South Boston, VA 24592 (434) 572-1734 <a href="mailto:pvaughan@halifaxvirginia.com">pvaughan@halifaxvirginia.com</a>  Tamyra Vest Community Development Town of South Boston 432 Main Street Post Office Box 417

Locality	Zone Number	Designation Date	Contact Name, Address, Phone #, and E-mail Address
			South Boston, VA 24592 <a href="mailto:tvest@southbostonva.us">tvest@southbostonva.us</a>
Hampton Roads Center Zone	35	1/1/1996	Mr. Mike Yaskowsky Dept. of Development 1 Franklin Street, Suite 600 Hampton, VA 23669-3578 (757) 727-6237 <a href="mailto:myaz@hampton.gov">myaz@hampton.gov</a>
Hampton Urban Zone	08	1/1/2005	Mr. Mike Yaskowsky Dept. of Development 1 Franklin Street, Suite 600 Hampton, VA 23669-3578 (757) 727-6237 <a href="mailto:myaz@hampton.gov">myaz@hampton.gov</a>
Henry County and Martinsville	36	1/1/1996	Mr. Wade Nester Engineering and Mapping Dept. Post Office Box 7 Collinsville, VA 24078 (276) 634-2570 <a href="mailto:wnester@co.henry.va.us">wnester@co.henry.va.us</a>  Mr. Wayne Knox City of Martinsville P.O. Box 1112 Martinsville, VA 24114 (276) 403-5169 <a href="mailto:wknox@ci.martinsville.va.us">wknox@ci.martinsville.va.us</a>
Henry County and Martinsville	54	1/1/2001	Mr. Wade Nester Engineering and Mapping Dept. Post Office Box 7 Collinsville, VA 24078 (276) 634-2570 <a href="mailto:wnester@co.henry.va.us">wnester@co.henry.va.us</a>  Mr. Tom Harned Martinsville-Henry County EDC 134 East Church Street, Suite 200 P.O. Box 631 Martinsville, VA 24112 (276) 403-5945 <a href="mailto:tharned@yesmartinsville.com">tharned@yesmartinsville.com</a>
Hopewell	09	1/1/2005	Mr. March Altman Department of Development 300 North Main Street Hopewell, VA 23860 (804) 541-2220 <a href="mailto:maltman@ci.hopewell.va.us">maltman@ci.hopewell.va.us</a>

Locality	Zone Number	Designation Date	Contact Name, Address, Phone #, and E-mail Address
James City County	37	1/1/1996	Mr. Douglas Powell James City Community Services 5249 Olde Towne Road Williamsburg, VA 23188 (757) 259-3113 <a href="mailto:dpowell@james-city.va.us">dpowell@james-city.va.us</a>
Lancaster, Northumberland, Richmond, Westmoreland	50	1/1/2000	Mr. Jerry Davis Northern Neck PDA P.O. Box 1600 Warsaw, VA 22572 (804) 333-1900 <a href="mailto:jdavis@nnpdc17.state.va.us">jdavis@nnpdc17.state.va.us</a>
Lee County	7	1/1/2005	Mr. Tim Long Director, Lee County IDA P.O. Box 367 Jonesville, VA 24263 (276) 346-7767 <a href="mailto:leeida@mounet.com">leeida@mounet.com</a>
Lunenburg County, Kenbridge and Victoria	55	1/1/2001	Ms. Beverly Hawthorne County Administrator's Office 11409 Courthouse Road Lunenburg, Virginia 23952 (434) 696-2546 <a href="mailto:bphawthorne@lunenburgva.net">bphawthorne@lunenburgva.net</a>
Lynchburg Zone 1	02	1/1/2004	Mr. Brian Thrower City of Lynchburg Economic Development 828 Main Street, 10 <sup>th</sup> Floor Lynchburg, VA 24504 (434) 455-4494 <a href="mailto:brian.thrower@lynchburgva.gov">brian.thrower@lynchburgva.gov</a>
Lynchburg Zone 2	46	1/1/1996	Mr. Brian Thrower City of Lynchburg Economic Development 828 Main Street, 10 <sup>th</sup> Floor Lynchburg, VA 24504 (434) 455-4494 <a href="mailto:brian.thrower@lynchburgva.gov">brian.thrower@lynchburgva.gov</a>
Mecklenburg County and Clarksville	56	1/1/2001	Ms. Melinda Moran Economic Development Office County of Mecklenburg Post Office Box 307 Boydton, VA 23917 (434) 374-8177



Locality	Zone Number	Designation Date	Contact Name, Address, Phone #, and E-mail Address
			<a href="mailto:clarksville@meckcom.net">clarksville@meckcom.net</a>
Mecklenburg County, South Hill and LaCrosse	38	1/1/1996	Mr. John Stockton Town Manager 211 S. Mecklenburg Ave. South Hill, VA 23970 (434) 447-3191 <a href="mailto:jstockton@southhillva.org">jstockton@southhillva.org</a>
Narrows	24	1/1/1994	Mr. James Kast Assistant Town Manager Post Office Box 440 Narrows, VA 24124 (540) 726-2423 <a href="mailto:jkast@charterinternet.com">jkast@charterinternet.com</a>
Newport News Mid City Zone	30	6/30/1995	Mr. Ted Figura Manager of Marketing Dept. of Development 2400 Washington Avenue Newport News, VA 23607 (757) 597-2840 <a href="mailto:tfigura@nngov.com">tfigura@nngov.com</a>
Newport News North Zone	31	6/30/1995	Mr. Ted Figura Manager of Marketing Dept. of Development 2400 Washington Avenue Newport News, VA 23607 (757) 881-5412 <a href="mailto:tfigura@nngov.com">tfigura@nngov.com</a>
Newport News South Zone	03	1/1/2004	Mr. Ted Figura Manager of Marketing Dept. of Development 2400 Washington Avenue Newport News, VA 23607 (757) 881-5412 <a href="mailto:tfigura@nngov.com">tfigura@nngov.com</a>
Norfolk and Portsmouth	04	1/1/1984	Ms. Nicole J. Thompson Department of Development 500 E. Main St., Suite 1500 Norfolk, VA 23510 (757) 664-4338 <a href="mailto:nicole.thompson@norfolk.gov">nicole.thompson@norfolk.gov</a>  Mr. Thomas Reese Department of Economic Development 200 High Street, Suite 200 Portsmouth, VA 23704 (757) 393-8804

Locality	Zone Number	Designation Date	Contact Name, Address, Phone #, and E-mail Address
			<a href="mailto:thomasr@portsmouthva.gov">thomasr@portsmouthva.gov</a>
Orange Town	39	1/1/1996	Mr. Cole Hendrix Town Manager's Office 119 Bellevue Avenue Orange, VA 22960-1499 (540) 672-5005 <a href="mailto:townmanager@townoforangeva.org">townmanager@townoforangeva.org</a>
Patrick County and Stuart	22	1/1/2002	Mr. Mike Burnette Economic Development Director Patrick County P.O. Box 466 106 Rucker Street Stuart, VA 24171 (276) 694-8367 <a href="mailto:burnette@co.patrick.va.us">burnette@co.patrick.va.us</a>
Petersburg	10	1/1/2005	Mr. Vandy Jones Economic Development Office 400 E. Washington Street Petersburg, Virginia 23803 (804) 733-2352 <a href="mailto:vjonespetg@earthlink.net">vjonespetg@earthlink.net</a>
Pittsylvania County and Danville	57	1/1/2001	Mr. Jerry Fischer Department of Community Development and Engineering Post Office Box 3300 Danville, Virginia 24543 (434) 799-5261 <a href="mailto:fischgl@ci.danville.va.us">fischgl@ci.danville.va.us</a>  Mr. Greg Sides County Planner P.O. Box 426 Chatham, Virginia 24531 (434) 432 – 7755 <a href="mailto:gsides@pittgov.org">gsides@pittgov.org</a>
Prince George County	16	1/1/1990	Ms. Cynthia L. Cave Department of Economic Development Post Office Box 68 Prince George, VA 23875 (804) 733-2680 <a href="mailto:ccave@princegeorgeva.org">ccave@princegeorgeva.org</a>
Pulaski County New River Zone	40	1/1/1996	Mr. David Tickner County Administrator's Office

Locality	Zone Number	Designation Date	Contact Name, Address, Phone #, and E-mail Address
			143 3rd Street, N.W., Suite 1 Pulaski, VA 24301 (540) 980-7705 <a href="mailto:dtickner@pulaskicounty.org">dtickner@pulaskicounty.org</a>
Pulaski County Zone 1	25	1/1/1994	Mr. David Tickner County Administrator's Office 143 3rd Street, N.W., Suite 1 Pulaski, VA 24301 (540) 980-7705 <a href="mailto:dtickner@pulaskicounty.org">dtickner@pulaskicounty.org</a>
Pulaski Town	41	1/1/1996	Mr. John White Department of Economic Development Post Office Box 660 Pulaski, VA 24301 (540) 994-8631, <a href="mailto:jwhite@pulaskitown.org">jwhite@pulaskitown.org</a>
Richmond East Zone	29	1/1/1995	Ms. Lisbeth Coker City of Richmond Office of Economic Development 501 E. Franklin Street, Suite 800 Richmond, VA 23219 (804) 646-3792 <a href="mailto:cokerlm@ci.richmond.va.us">cokerlm@ci.richmond.va.us</a>
Richmond North/Henrico County Zone	28	1/1/1995	Ms. Lisbeth Coker City of Richmond Office of Economic Development 501 E. Franklin Street, Suite 800 Richmond, VA 23219 (804) 646-3792 <a href="mailto:cokerlm@ci.richmond.va.us">cokerlm@ci.richmond.va.us</a>  Henrico County Mr. John Young Dept. of Community Revitalization Post Office Box 27032 Richmond, VA 23273 (804) 501-7611 <a href="mailto:you16@co.henrico.va.us">you16@co.henrico.va.us</a>
Richmond South Zone	19	1/1/1993	Ms. Lisbeth Coker City of Richmond Office of Economic Development 501 E. Franklin Street, Suite 800 Richmond, VA 23219 (804) 646-3792 <a href="mailto:cokerlm@ci.richmond.va.us">cokerlm@ci.richmond.va.us</a>
Roanoke Zone 1	05	1/1/2004	Mr. Chris Copenhaver Dept. of Economic Development

Locality	Zone Number	Designation Date	Contact Name, Address, Phone #, and E-mail Address
			111 Franklin Plaza, Suite 200 Roanoke, VA 24011 (540) 853-2717 <a href="mailto:chris.copenhaver@roanokeva.gov">chris.copenhaver@roanokeva.gov</a>
Roanoke Zone 2	42	1/1/1996	Mr. Chris Copenhaver Dept. of Economic Development 111 Franklin Plaza, Suite 200 Roanoke, VA 24011 (540) 853-2717 <a href="mailto:chris.copenhaver@roanokeva.gov">chris.copenhaver@roanokeva.gov</a>
Rocky Mount	23	1/1/1994	Ms. Lara Burleson Assistant Town Manager 345 Donald Avenue Rocky Mount, VA 24151 (540) 483-0907 <a href="mailto:lburleson@rockymountva.org">lburleson@rockymountva.org</a>
Saltville/Smyth County	06	1/1/2004	Ms. Tracy Mitchell Economic Development Office Post Office Box 730 Saltville, VA 24370 (276) 496-5342 ext. 24 <a href="mailto:tmitchell.saltville@comcast.net">tmitchell.saltville@comcast.net</a>
Scott County	43	1/1/1996	Mr. John Kilgore Economic Development Office 114 East Jackson Street Gate City, VA 24251 (276) 386-6521 <a href="mailto:scotteda@mounet.com">scotteda@mounet.com</a>
Smyth and Washington Counties, Chilhowie, Glade Spring	51	1/1/2000	David Barrett Director Mount Rogers PDC 1021 Terrace Drive Marion, VA 24354 (276) 783-5103 <a href="mailto:dabarrett@mrpdc.org">dabarrett@mrpdc.org</a>
Staunton	17	1/1/1990	Mr. Bill Hamilton Dept. of Economic Development Post Office Box 58 Staunton, VA 24402 (540) 332-3869 (540) 290-2981
Suffolk	18	1/1/1990	Mr. Lynn Bartlett Dept. of Economic Development 127 E. Washington St., Suite 200 Suffolk, VA 23434 (757) 923-3620 <a href="mailto:lbartlett@city.suffolk.va.us">lbartlett@city.suffolk.va.us</a>

Locality	Zone Number	Designation Date	Contact Name, Address, Phone #, and E-mail Address
Tazewell County	44	1/1/1996	Ms. Margie Bandy Office of Economic Development 320 E. Main Street Tazewell, VA 24651 (276) 988-1270 <a href="mailto:mbandy@tazewellcounty.org">mbandy@tazewellcounty.org</a>
Warren County	45	1/1/1996	Ms. Jorie Martin Project Manager Economic Development Authority Post Office Box 445 Front Royal, VA 22630 (540) 635-2182 <a href="mailto:martin@wceda.com">martin@wceda.com</a>
Waynesboro	14	1/1/1988	Mr. Brent D. Frank Director Office of Economic Development Post Office Box 1028 Waynesboro, VA 22980 (540) 942-6779 <a href="mailto:frankbd@ci.waynesboro.va.us">frankbd@ci.waynesboro.va.us</a>
Wise County	52	1/1/2000	Mr. Carl Snodgrass County Administrator's Office Post Office Box 570 Wise, VA 24293 (276) 328-2321 <a href="mailto:snodgrass_c@wisecounty.org">snodgrass_c@wisecounty.org</a>
Wythe County	11	1/1/2005	Dr. Alan Hawthorne Joint IDA of Wythe Co. 190 S. First Street Post Office Box 569 Wytheville, VA 24382 (276) 223-3370 <a href="mailto:directorjida@wytheville.org">directorjida@wytheville.org</a>

## APPENDIX B - ACTIVITY NUMBERS

### Agriculture, Forestry, Fishing and Hunting

Activity Code	Subsector Description
111	Crop Production
112	Animal Production
113	Forestry and Logging
114	Fishing, Hunting and Trapping
115	Support Activities for Agriculture and Forestry
<b>Mining</b>	
Activity Code	Subsector Description
211	Oil and Gas Extraction
212	Mining (except Oil and Gas)
213	Support Activities for Mining
<b>Utilities</b>	
Activity Code	Subsector Description
221	Utilities
<b>Construction</b>	
Activity Code	Subsector Description
236	Building, Developing, and General Contracting
237	Heavy Construction
238	Special Trade Contractors
<b>Manufacturing</b>	
Activity Code	Subsector Description
311	Food Manufacturing
312	Beverage and Tobacco Product Manufacturing
313	Textile Mills
314	Textile Product Mills
315	Apparel Manufacturing
316	Leather and Allied Product Manufacturing
321	Wood Product Manufacturing
322	Paper Manufacturing
323	Printing and Related Support Activities
324	Petroleum and Coal Products Manufacturing
325	Chemical Manufacturing
326	Plastics and Rubber Products Manufacturing
327	Nonmetallic Mineral Product Manufacturing
331	Primary Metal Manufacturing
332	Fabricated Metal Product Manufacturing
333	Machinery Manufacturing
334	Computer and Electronic Product Manufacturing
335	Electrical Equipment, Appliance, and Component Manufacturing

336	Transportation Equipment Manufacturing
337	Furniture and Related Product Manufacturing
339	Miscellaneous Manufacturing
<b>Wholesale Trade</b>	
<b>Activity Code</b>	<b>Subsector Description</b>
423	Wholesale Trade, Durable Goods
424	Wholesale Trade, Nondurable Goods
425	Wholesale Electronic Markets and Agents and Brokers
<b>Retail Trade – Prohibited from applying for job creation grants</b>	
<b>Activity Code</b>	<b>Subsector Description</b>
441	Motor Vehicle and Parts Dealers
442	Furniture and Home Furnishings Stores
443	Electronics and Appliance Stores
444	Building Material and Garden Equipment and Supplies Dealers
445	Food and Beverage Stores
446	Health and Personal Care Stores
447	Gasoline Stations
448	Clothing and Clothing Accessories Stores
451	Sporting Goods, Hobby, Book, and Music Stores
452	General Merchandise Stores
453	Miscellaneous Store Retailers
454	Nonstore Retailers
<b>Transportation and Warehousing</b>	
<b>Activity Code</b>	<b>Subsector Description</b>
481	Air Transportation
482	Rail Transportation
483	Water Transportation
484	Truck Transportation
485	Transit and Ground Passenger Transportation
486	Pipeline Transportation
487	Scenic and Sightseeing Transportation
488	Support Activities for Transportation
491	Postal Service
492	Couriers and Messengers
493	Warehousing and Storage
<b>Information – May be considered local service depending on sales activity</b>	
<b>Activity Code</b>	<b>Subsector Description</b>
511	Publishing Industries
512	Motion Picture and Sound Recording Industries
515	Broadcasting and Telecommunications
516	Internet Publishing and Broadcasting
517	Telecommunications
518	Data Processing Services, Internet Service Providers, Web Search Portals



519	Other Information Services
<b>Finance and Insurance - May be considered local service depending on sales activity</b>	
<b>Activity Code</b>	<b>Subsector Description</b>
521	Monetary Authorities - Central Bank
522	Credit Intermediation and Related Activities
523	Securities, Commodity Contracts, and Other Financial Inve
524	Insurance Carriers and Related Activities
525	Funds, Trusts, and Other Financial Vehicles
<b>Real Estate and Rental and Leasing- May be considered local service depending on sales activity</b>	
<b>Activity Code</b>	<b>Subsector Description</b>
531	Real Estate
532	Rental and Leasing Services
533	Lessors of Nonfinancial Intangible Assets (except Copyright)
<b>Professional, Scientific, and Technical Services - May be considered local service depending on sales activity</b>	
<b>Activity Code</b>	<b>Subsector Description</b>
541	Professional, Scientific, and Technical Services
<b>Management of Companies and Enterprises - May be considered local service depending on sales activity</b>	
<b>Activity Code</b>	<b>Subsector Description</b>
551	Management of Companies and Enterprises
<b>Administrative and Support and Waste Management and Remediation Services - May be considered local service depending on sales activity</b>	
<b>Activity Code</b>	<b>Subsector Description</b>
561	Administrative and Support Services
562	Waste Management and Remediation Services
<b>Educational Services - May be considered local service depending on sales activity</b>	
<b>Activity Code</b>	<b>Subsector Description</b>
611	Educational Services
<b>Health Care and Social Assistance - May be considered local service depending on sales activity</b>	
<b>Activity Code</b>	<b>Subsector Description</b>
621	Ambulatory Health Care Services
622	Hospitals
623	Nursing and Residential Care Facilities
624	Social Assistance
<b>Arts, Entertainment, and Recreation - May be considered local service depending on sales activity</b>	
<b>Activity Code</b>	<b>Subsector Description</b>
711	Performing Arts, Spectator Sports, and Related Industries
712	Museums, Historical Sites, and Similar Institutions

713	Amusement, Gambling, and Recreation Industries
<b>Accommodation and Food Services</b>	
<b>Activity Code</b>	<b>Subsector Description</b>
721	Accommodation
722	Food Services and Drinking Places <b>Prohibited from applying for job creation grants</b>
<b>Other Services (except Public Administration) - May be considered local service depending on sales activity</b>	
<b>Activity Code</b>	<b>Subsector Description</b>
811	Repair and Maintenance
812	Personal and Laundry Services
813	Religious, Grantmaking, Civic, Professional, and Similar
814	Private Households

